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Attorneys for Plaintiff CHRISTOPHER FENTON

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHRISTOPHER FENTON, an individual,

Case No.

Plaintiff,

VS.

DMG ENTERTAINMENT, LLC, a Delaware limited liability company; DMG ENTERTAINMENT HOLDING, LLC, a Delaware limited liability company; DMG MANAGEMENT SERVICES, INC., a Delaware corporation; NEW ASIA SUCCESS PARTNERS LIMITED, a British Virgin Islands corporation; HEALTHY SOAR INVESTMENT LIMITED, a Hong Kong corporation; DANIEL MINTZ, an individual; BING WU, an individual; PETER XIAO, an individual; and DOES 1 through 100, inclusive,

## Defendants.

**COMPLAINT FOR:**

1. BREACH OF CONTRACT;
  2. BREACH OF GOOD FAITH AND FAIR DEALING;
  3. PROMISSORY ESTOPPEL;
  4. PROMISSORY FRAUD;
  5. CONSTRUCTIVE DISCHARGE;
  6. RETALIATION IN VIOLATION OF *CALIFORNIA LABOR CODE* § 1102.5;
  7. UNFAIR BUSINESS PRACTICES (CA BUS. & PROF. CODE §17200, et seq.).

Plaintiff CHRISTOPHER FENTON (“Plaintiff”) hereby complains against Defendants DMG ENTERTAINMENT, LLC, DMG MANAGEMENT SERVICES, INC., DMG ENTERTAINMENT HOLDING, LLC, NEW ASIA SUCCESS PARTNERS LIMITED, HEALTHY SOAR INVESTMENT LIMITED (collectively, “DMG”), as well as individuals DANIEL MINTZ (“Mintz”), BING WU (“Wu”), and PETER XIAO (“Xiao”) as follows:

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I.

## SUMMARY OF CASE

1. This action arises out of false promises by DMG, in Plaintiff's written employment agreement and elsewhere, to compensate Plaintiff "nicely" after the Initial Public Offering of DMG on the Shenzhen Stock Exchange (the "IPO") and to make Plaintiff "rich" like Mintz, Wu and Xiao (Mintz, Wu and Xiao are collectively referred to herein as the "Founders"). Given Plaintiff's long, successful tenure with DMG, Plaintiff's prominent role within the organization, and the various representations made by the Founders, Plaintiff's damages for Defendants' failure to comply with its contractual obligations and oral promises are a minimum of \$30 million.

2. Over the course of the seventeen (17) years preceding Plaintiff's departure from DMG in February 2018, Plaintiff was an integral part of building DMG into a global media and entertainment powerhouse with over nine hundred (900) employees in the United States and China. As the President of DMG's Entertainment Motion Picture Group, and the General Manager of DMG North America, Plaintiff helped to transform DMG into an industry leader in the financing, production, marketing and distribution of American movies in China, with blockbuster films such as *Iron Man 3*, *Looper*, *Knowing*, *Twilight*, *Terminator 2-3D*, *Resident Evil 3D*, *Point Break*, and *Transcendence*. Plaintiff also spearheaded DMG's relationship with the United States government and regulators, including his participation as the face of DMG when the Securities and Exchange Commission ("SEC") conducted a multi-year inquiry into DMG's business practices on the ground in China.

3. Plaintiff's efforts significantly raised DMG's profile in Hollywood, both on a direct business to business level and also publicly through consistent and high-profile press attention, and more importantly in China, as Plaintiff was instrumental in generating ground-breaking opportunities and historic partnerships with global media partners to access China's huge, previously untapped market for American films. On the heels of DMG's ground-breaking and historic release of *Iron Man 3* - which was the highest grossing film of 2013 and (at the time) the fifth highest grossing movie of all time - DMG executed a wildly successful IPO in 2014. After the IPO, DMG's initial market capitalization was \$3 billion United States Dollars ("USD"), and skyrocketed to more than \$5 billion USD at its peak. The IPO's success was due, in large part, to Plaintiff's stewardship of

1 DMG through Hollywood's film industry, transforming DMG from a local Chinese advertising  
2 agency into the "gatekeeper" for American movies in China.

3       4. As anticipated, the IPO made the Founders extremely wealthy as they collectively  
4 owned approximately seventy-four percent (74%) of DMG's stock following the IPO.<sup>1</sup> Among their  
5 many lavish displays of incredulous wealth, DMG purchased: a multi-million dollar mansion in  
6 Beverly Hills (now estimated to be worth \$50 million) paid for in cash and in which Mintz and Xiao  
7 resides, even though DMG is the registered owner of the property; multiple airplanes, including a  
8 \$25 million Bombardier Challenger 850 private jet and a \$30 million Bombardier Global Express  
9 private jet, as well as multiple collector-desired stunt planes; and numerous luxury cars, including  
10 Rolls-Royces, Bentleys and Ferraris.

11       5. DMG also went on an intellectual property spending spree, including but not limited  
12 to the acquisition of Valiant Entertainment ("Valiant") - the comic book publisher with the third-  
13 largest universe of superhero characters behind Marvel Entertainment and DC Comics - for roughly  
14 \$100 million.

15       6. In the process, DMG engaged in a variety of questionable business practices,  
16 including highly leveraging DMG's stock by pledging more than seventy percent (70%) of the  
17 outstanding shares as collateral for loans, and transferring some or all of the proceeds of those loans  
18 (believed to be in the hundreds of millions of dollars) offshore and out of the reach of the Chinese  
19 government and DMG's creditors. These reckless business tactics contributed to the suspension of  
20 trading of DMG's stock on multiple occasions to prevent the collapse of DMG's stock price in China  
21 – a flawed strategy that eventually failed dramatically shortly after Plaintiff's departure from DMG,  
22 diminishing the value of DMG to the point that Plaintiff's due compensation was materially  
23 impacted.

24       7. DMG and its Founders made concerted efforts to conceal its reckless activities from  
25 Plaintiff while he was serving as General Manager of DMG North America, and Plaintiff did not  
26 become aware of them until near the end of his tenure with DMG and thereafter. Often, Plaintiff

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27       28 <sup>1</sup> Mintz is a citizen of the United States and his wife, Wu, is a dual-citizen of the United States and  
China as a result of their marriage. Upon information and belief, due to Chinese restrictions  
concerning the citizenship of shareholders in Chinese corporations, the shares of Mintz and Wu were  
held in Xiao's name as well as other designated Chinese surrogates who were employed by DMG.

1 would learn about DMG's questionable activities through unexpected cries for help from DMG's  
2 employees because those employees had been wrongfully manipulated by Mintz, Wu, and/or Xiao.<sup>2</sup>  
3 Plaintiff had addressed these incidents with Mintz and other senior executives, and all have regularly  
4 turned a blind eye, answered with obvious deflection, feigned ignorance, nervous hesitation, silence,  
5 or, in some cases, admitted to participating in these activities. In turn, Mintz and other DMG  
6 executives would respond with deep resentment towards Plaintiff for raising these alarming issues,  
7 despite the fact that it was a part of Plaintiff's duties as an executive with DMG to raise such issues.

8. Meanwhile, DMG failed to comply with its contractual obligations to Plaintiff to  
9 compensate him for the IPO and make him "rich" like the Founders, as well as failing to pay "bonuses  
10 for [Plaintiff's] contributions to DMG...." Plaintiff demanded enforcement of provisions in his  
11 employment agreement concerning bonus pay following the IPO. But rather than engage Plaintiff in  
12 good faith, DMG terminated Plaintiff. As a result, Plaintiff has been left with no choice but to bring  
13 this action to recover the compensation that is rightfully owed to him.

14 **II.**

15 **THE PARTIES**

16. Plaintiff is an individual residing in the County of Los Angeles, State of California.

17. Plaintiff is informed and believes, and based thereon alleges, that defendant DMG  
18 ENTERTAINMENT, LLC is, and at all times relevant hereto was, a limited liability company  
19 organized and existing under the laws of the State of Delaware, with its principal place of business  
20 in the County of Los Angeles, State of California.

21. Plaintiff is informed and believes, and based thereon alleges, that defendant DMG  
22 MANAGEMENT SERVICES, INC. is, and at all times relevant hereto was, a corporation organized  
23 and existing under the laws of the State of Delaware, with its principal place of business in the County  
24 of Los Angeles, State of California.

25. Plaintiff is informed and believes, and based thereon alleges, that defendant DMG

27. On several instances, DMG employees fell into legal trouble with the China Securities Regulatory  
28 Commission, Chinese banks, and/or other Chinese regulators and creditors because of DMG's  
actions.

1 ENTERTAINMENT HOLDING, LLC is, and at all times relevant hereto was, a limited liability  
2 company organized and existing under the laws of the State of Delaware, with its principal place of  
3 business in the County of Los Angeles, State of California.

4       13. Plaintiff is informed and believes, and based thereon alleges, that defendant NEW  
5 ASIA SUCCESS PARTNERS LIMITED is a now-defunct corporation that was organized and  
6 existing under the laws of the British Virgin Islands, and at all times relevant hereto, was regularly  
7 doing business in the County of Los Angeles, State of California.

8       14. Plaintiff is informed and believes, and based thereon alleges, that defendant  
9 HEALTHY SOAR INVESTMENT LIMITED is, and at all times relevant hereto was, a corporation  
10 organized and existing under the laws of Hong Kong, and regularly doing business in the County of  
11 Los Angeles, State of California.

12       15. Plaintiff is informed and believes, and based thereon alleges, that defendant DAN  
13 MINTZ is an individual residing in the County of Los Angeles, State of California.

14       16. Plaintiff is informed and believes, and based thereon alleges, that defendant BING  
15 WU is an individual residing in the County of Los Angeles, State of California.

16       17. Plaintiff is informed and believes, and based thereon alleges, that defendant PETER  
17 XIAO is an individual residing in Macau, and doing business in the County of Los Angeles, State of  
18 California.

19       18. Plaintiff is informed and believes, and based thereon alleges, that DMG employs an  
20 advanced corporate web of shell companies, affiliates, and/or subsidiaries carefully designed to hide  
21 DMG's true identity and shield the true identity from discovery by government regulators, creditors  
22 and liability. This web includes a number of defunct entities and new entities being formed  
23 frequently, upon information and belief, with the express intent to avoid government regulation in  
24 China and the United States, evade tax and other liabilities, and hide assets from creditors. DMG's  
25 web of shell entities (any one of which may be the actual form of DMG) includes without limitation,  
26 DMG Entertainment, LLC (formed in Delaware), DMG Entertainment Holding, LLC (formed in  
27 Delaware), DMG Management Services, Inc. (formed in Delaware), New Asia Success Partners Ltd.  
28 (formed in the British Virgin Islands), Healthy Soar Investment Ltd. (formed in Hong Kong), DM  
International Ltd. (formed in Malta), DMG Entertainment Ltd. (formed in Malta), DMG Partners

1 Ltd. (formed in Malta), Yinji Entertainment and Media Co., Ltd. (formed in China), DMG Yinji  
2 (formed in China), DMG Entertainment and Media Co., Ltd. (formed in China), DMG Tech  
3 Investment, LLC (formed in Delaware), Shai Holdings II, LLC (formed in Delaware), DMG (Hong  
4 Kong) Group Ltd. (formed in Hong Kong), DMG Partners Ltd. (formed in the Cayman Islands), 2709  
5 Pictures Ltd. (formed in Hong Kong), WBAC, LLC (formed in Delaware) and Pacific Metro Group  
6 (formed in the British Virgin Islands) (collectively, the “DMG Entities”).  
7

8 19. Plaintiff is informed and believes, and based thereon alleges, that at all times  
9 mentioned herein, that there has existed a unity of interest and ownership by and between Mintz, Wu,  
10 Xiao and the DMG Entities, such that any individuality or separateness between and amongst them  
11 has ceased and the DMG Entities are a mere shell and alter ego of Mintz, Wu and Xiao, and of each  
12 other, in that Mintz, Wu and Xiao control and dominate the DMG Entities’ business affairs and  
13 organization and operate the DMG Entities as a mere extension and subsidiary of their personal  
14 business endeavors.  
15

16 20. Adherence to the fiction of the separate existence of the DMG Entities as entities  
17 separate and distinct from Mintz, Wu and Xiao, and from each other, will permit an abuse of the  
18 corporate privilege and will sanction and promote fraud and injustice in that it will allow Mintz, Wu,  
19 Xiao and the DMG Entities to avoid indebtedness which Plaintiff is informed and believes has  
accrued almost solely to further the personal business purposes of Mintz, Wu, and Xiao, and which  
shields Mintz, Wu, Xiao and the DMG Entities from liabilities which they knowingly and willingly  
incurred and had no intention of being held responsible for.  
20

21 21. Plaintiff is further informed and believes, and based thereon alleges, that the DMG  
22 Entities, and each of them, are the successor-in-interests to each other, and each of them are  
23 responsible and/or liable in some manner for the conduct of each of the other DMG Entities, as  
alleged herein.  
24

25 22. Plaintiff is informed and believes, and based thereon alleges, that at all times  
26 mentioned herein, Mintz, Wu, Xiao and the DMG Entities were the agents, employees and partners  
27 of each other, and were acting within the scope and authority of such agency, employment and  
partnership and with the knowledge, consent, approval and ratification of each other.  
28

23. Plaintiff is informed and believes, and based thereon alleges, that defendants, and each

1 of them, designated herein as DOES 1 through 100, inclusive, are responsible in some manner for  
2 the occurrences and happenings herein alleged, and that Plaintiff's damages as herein alleged were  
3 and are the direct and proximate result of the actions of said defendants, and each of them. Said  
4 defendants are sued as principals or agents, partners, servants and employees of said principals, or  
5 any combination thereof, and all of the acts performed by them as agents, partners, servants and  
6 employees were performed within the course and scope of their employment, and with the  
7 knowledge, consent, approval and ratification of said principals, and each of them.

8       24. Whenever in this complaint reference is made to any act of a defendant, such  
9 allegation shall be deemed to mean the acts of the defendants named in the particular cause of action,  
10 and each of them, acting individually, jointly and severally.

### JURISDICTION AND VENUE

11       25. Jurisdiction is proper in this Court pursuant to California Code of Civil Procedure §  
12 410.10 because the alleged acts and omissions complained of herein took place in the County of Los  
13 Angeles, State of California, Mintz and Wu reside in the County of Los Angeles, State of California  
14 and Xiao, and the DMG Entities do business in the State of California.

15       26. Venue for this action in Los Angeles County is proper pursuant to, without limitation,  
16 California Code of Civil Procedure § 395 in that, among other things, because Mintz and Wu reside  
17 in the County of Los Angeles and most, if not all, of the DMG Entities have their principal place of  
18 business in the County of Los Angeles. Furthermore, the contracts that are the subject of this dispute  
19 were to be performed in the County of Los Angeles.

### III.

### FACTS COMMON TO ALL CAUSES OF ACTION

#### A. Background Facts

27. Mintz, Wu, and Xiao are founders of an advanced corporate web of shell companies,  
28 affiliates, and/or subsidiaries collectively known as "DMG," which includes but is not limited to the  
following: DMG Entertainment, LLC (formed in Delaware), DMG Entertainment Holding, LLC  
(formed in Delaware), DMG Management Services, Inc. (formed in Delaware), New Asia Success

1 Partners Ltd. (formed in the British Virgin Islands), Healthy Soar Investment Ltd. (formed in Hong  
2 Kong), DM International Ltd. (formed in Malta), DMG Entertainment Ltd. (formed in Malta), DMG  
3 Partners Ltd. (formed in Malta), Yinji Entertainment and Media Co., Ltd. (formed in China), DMG  
4 Yinji (formed in China), DMG Entertainment and Media Co., Ltd. (formed in China), DMG Tech  
5 Investment, LLC (formed in Delaware), Shai Holdings II, LLC (formed in Delaware), DMG (Hong  
6 Kong) Group Ltd. (formed in Hong Kong), DMG Partners Ltd. (formed in the Cayman Islands), 2709  
7 Pictures Ltd. (formed in Hong Kong), WBAC, LLC (formed in Delaware) and Pacific Metro Group  
8 (formed in the British Virgin Islands) (collectively, the “DMG Entities”).

9 28. Plaintiff is the former President of DMG Entertainment Motion Picture Group and  
10 General Manager of DMG North America, which are divisions within DMG. Plaintiff worked with  
11 DMG in various senior-level or representative capacities over the course of seventeen (17) plus years,  
12 until his employment ended in or about February 2018. During that time, DMG grew from thirty-  
13 five (35) employees to more than nine hundred (900), with its value increasing from \$100 million  
14 USD to a peak of more than \$5 billion USD, based in large part on Plaintiff’s efforts.

15 29. Plaintiff’s business relationship with DMG began in 1999 when he met Mintz while  
16 working as a talent agent at William Morris. In 1999, DMG, known at the time as Pacesetter  
17 Productions International or “PPI”, was known as a China-based commercial production house<sup>3</sup> that  
18 catered to international companies, including Volkswagen, Fruit of the Loom, Nike, Mazda, and  
19 Unilever, seeking to market their products and services in the fast-growing Chinese market. At the  
20 time, DMG had no presence in the United States and engaged Plaintiff to tap into Hollywood’s  
21 entertainment industry and other U.S.-based business. From that point until Plaintiff’s departure  
22 from DMG in 2018, Plaintiff constructed partnerships, negotiated deals, and supervised the  
23 development, financing, production, marketing, and distribution of DMG’s entertainment content  
24 among various other U.S.-based businesses and activities.

25 30. In or about January 2004, Plaintiff - who had left the employ of William Morris to

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26 <sup>3</sup> DMG was formerly known as Pacesetter Productions International (“PPI”). **Exhibit 1:** *Pacesetter*  
27 *International Inc.*, Nevada-register.com, <https://www.nevada-register.com/385534-pacesetter-international-inc/> (last visited Feb. 22, 2019); Google, <https://books.google.com/books?id=Ny9AAQAAIAAJ&q=pacesetter+productions+dan+mintz&dq=pacesetter+productions+dan+mintz&hl=en&sa=X&ved=0ahUKEwiCoajBwpHgAhXGHDQIHTGYCbIQ6AEIKjAA> (last visited Jan. 28, 2019).

1 establish his own entertainment company, H2F Entertainment, Inc. (“H2F”) - became the General  
2 Manager of DMG North America. By that time, PPI had transformed from a commercial production  
3 house to an independent full-service advertising agency and renamed the company to DMG,  
4 eventually becoming the self-proclaimed largest independent full-service advertising agency in  
5 China.

6 31. Among Plaintiff’s notable accomplishments over the following years as General  
7 Manager of DMG North America: in early-2004, Plaintiff arranged for DMG to be the first company  
8 to properly license American music for national advertisements in China, when DMG licensed a  
9 popular song by an American rock band, Hanson, for a Volkswagen brand campaign.

10 32. In 2005, Plaintiff arranged for DMG to bring ESPN’s *World’s Strongest Man*  
11 competition to China for the first time. The competition was filmed and televised in China, garnering  
12 the highest television ratings for the competition to date, with an impressive forty (40) million  
13 viewers for the finals that aired on China Central Television network CCTV5.

14 33. In 2006, Plaintiff secured Mintz’s first feature article by a major western media  
15 publication, Fast Company, entitled “*The Mintz Dynasty: Dan Mintz Landed in Beijing Without a*  
*College Degree, a Job, or a Word of Mandarin. Now He Heads Up the Hottest Advertising Shop in*  
16 *the Country. How One Man Cracked the Chinese Market (by Really Really Trying).*” A true and  
17 correct copy of this article is attached hereto as **Exhibit 2**.

18 34. In 2008, in conjunction with the Summer Olympics in Beijing, Plaintiff negotiated  
19 the largest ever Olympic Athlete endorsement deal in China for U.S. Olympian Michael Phelps, on  
20 behalf of DMG’s client, Mazda Motor Corporation.

21 **B. Plaintiff Oversees DMG’s Transition Into Movie Production And Distribution**

22 35. After the conclusion of the 2008 Summer Olympics in Beijing, the Chinese  
23 government began to focus on building a more robust international film industry within China. Given  
24 DMG’s track record and roots in China, and Plaintiff’s deeply rooted relationships in Hollywood,  
25 DMG was uniquely positioned to capitalize on this opportunity.

26 36. Initially, DMG (through Plaintiff’s efforts) focused on acquiring rights from  
27 Hollywood movie studios and financiers to market and distribute American movies theatrically in  
28

1 China. Thereafter, DMG began to co-finance and co-produce American movies for distribution in  
2 the Chinese market.

3 37. Over time, Plaintiff helped DMG build its reputation as the “gatekeeper” for the  
4 marketing and distribution of American movies into China.

5 38. For example: in 2009, Plaintiff helped create a partnership with Summit  
6 Entertainment (now a subsidiary of Lionsgate Films) such that DMG would provide Summit  
7 Entertainment with a direct channel for theatrical release in China. The first movie that DMG  
8 released in China under this partnership with Summit Entertainment was *Knowing*, starring Nicolas  
9 Cage. This was the first ever non-major Hollywood studio film to garner one of China’s twenty (20)  
10 coveted “quota” slots that were allocated for the release of foreign movies.<sup>4</sup>

11 39. In 2010, Plaintiff arranged a trailblazing partnership with the makers of the movie  
12 *Looper* to incorporate enough Chinese cultural components into the movie, such that the Chinese  
13 regulatory body would recognize the film as a U.S.-China Co-Production or even a local Chinese  
14 production rather than a foreign film. The benefits of qualifying as either a co-production or local  
15 production are numerous, including allowing producers to receive a larger revenue share with the  
16 Chinese government and releasing the film without the normal blackout period required of foreign  
17 films.<sup>5</sup>

18 40. Through Plaintiff’s efforts, DMG produced, developed and financed *Looper* with  
19 Endgame Entertainment, and subsequently marketed and distributed the movie in China. On  
20 September 28, 2012, *Looper* opened in theaters globally and in China on the same day and date (a  
21 rarity for Hollywood movies in China), and it was shown in thousands of Chinese theaters during a  
22 period in which foreign films were typically subject to a blackout.<sup>6</sup> During its theatrical run, which

23 24 25<sup>4</sup> China’s regulatory body imposes quota restrictions on importation of foreign films, distinguished  
between “revenue-sharing” and “flat-fee” quotas. Only a limited amount of foreign films are  
imported into China in any given year.

26 27<sup>5</sup> Notably, by successfully classifying *Looper* as a U.S.-China Co-Production or alternatively a local  
Chinese production, *Looper* was not classified as a “foreign film,” and therefore not subject to the  
28 quota restrictions for foreign films imported into China.

29<sup>6</sup> Among the many regulations that China imposes on foreign films, China’s regulatory body also  
controls the release dates of foreign films to prevent foreign films from directly competing with  
domestic film releases. More often than not, China will intentionally release an American film in  
China on a different and much later calendar-day than the American release date, for the reason that

1 began the weekend of September 28-30, 2012, *Looper* generated more than \$20 million USD in  
2 earnings, placing it as one of the highest grossing Hollywood films of that year, and the highest  
3 grossing Hollywood film of all time in China for its genre.<sup>7</sup>

4       41. In addition, from 2009 through 2013, Plaintiff managed DMG's continuing  
5 partnerships with Summit Entertainment, and forged new partnerships with Sony Entertainment and  
6 Universal Pictures to secure revenue-sharing quota slots from the Chinese government. During that  
7 span, DMG distributed movies such as *Twilight*, *Killers*, *Resident Evil: Afterlife*, *Red*, *The Eagle* and  
8 *Priest* to the Chinese market.

9       42. Plaintiff was also instrumental in convincing Marvel, Disney, and Paramount to allow  
10 DMG to co-finance, co-produce, market (in China) and distribute (in China) the movie *Iron Man 3*.  
11 This deal required filming certain components of the movie in China to incorporate a sufficient  
12 amount of Chinese elements to qualify *Iron Man 3* as a U.S.-China Co-Production. Their collective  
13 efforts resulted in an unprecedented revenue sharing deal with the Chinese government, a pre-United  
14 States "day-and-date" release on May 1, 2013 (which was a Chinese national holiday), and the first-  
15 ever televised Chinese movie premiere for a Hollywood film, which featured Robert Downey, Jr. on-  
16 location in the Forbidden City. As a result, *Iron Man 3* garnered revenues at a level never before  
17 achieved by any Disney film in China, grossing five-times more in China than the first two  
18 installments of *Iron Man*. *Iron Man 3* remains in the top twenty of the highest grossing movies of  
19 all time, with total box office receipts of over \$1.2 billion USD, of which \$121 million USD  
originated from China.<sup>8</sup>

20       43. Meanwhile, in or about April 2012, DMG learned of an SEC investigation into  
21 potential violations of the Foreign Corrupt Practices Act ("FCPA") by the Hollywood Studios. Soon  
22 after, DMG was notified by the SEC that it too was a target in the investigation, embroiling DMG  
23 (as well as Plaintiff personally) in the ongoing SEC investigation of potential FCPA violations by  
24 DMG's China-based executives. With DMG squarely in the SEC's crosshairs, Plaintiff was

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25 the American release date would compete with domestic Chinese films that are releasing in the same  
26 week.

27 <sup>7</sup> *Looper* went on to earn over \$176 million USD worldwide as of January 2019. *Looper*, Box Office  
Mojo, <https://www.boxofficemojo.com/movies/?id=loopers.htm> (last updated Jan. 28, 2019).

28 <sup>8</sup> *Iron Man 3*, Box Office Mojo, <https://www.boxofficemojo.com/movies/?page=intl&id=ironman3.htm> (last updated Jan. 28, 2019).

1 prevented from furthering DMG's alliances with the major studios, and even worse, many of  
2 Plaintiff's ongoing discussions and/or negotiations with major studios were abruptly halted, so  
3 Plaintiff had to find aggressive financiers who were willing to work with DMG to replicate the  
4 success of *Looper* and *Iron Man 3* with other films.

5       44. As a result, Plaintiff oversaw DMG's partnership with Alcon Entertainment (which  
6 had an output deal through Warner Brothers) to distribute the hit 2013 film *Prisoners* and co-finance  
7 and co-produce *Transcendence* in 2014 and *Point Break* in 2015, and market and distribute each of  
8 those movies in China. In connection with the release of *Transcendence*, Plaintiff arranged for its  
9 star, Johnny Depp,<sup>9</sup> to go on a two-day promotional tour in China, which included a starring-role on  
10 a nation-wide primetime special on ZheJiangTV, a Chinese national network that broadcasts to  
11 approximately 1.2 billion Chinese residents. As for *Point Break*, DMG was able to secure an  
12 unprecedented release date in China that was three weeks prior to its United States' release date.  
13 Plaintiff convinced his key senior relationships at both Warner Brothers and Alcon Entertainment to  
14 trust that the film would be secure from piracy if the films were released in China during a blackout  
15 of other foreign films, which would occur *in advance* of the U.S. release. This was the first time an  
16 American movie had obtained such a release date and the first time an American movie opened in  
17 China so much earlier than its U.S. release date. As a result, the box office receipts in China for both  
18 *Transcendence* and *Point Break* exceeded the receipts for all other individual markets worldwide.  
19 And, Warner Brothers recently used the early-release-December-date-strategy in China that DMG  
20 pioneered for its recent film *Aquaman*, which, as a result, became one of the highest grossing films  
in China for 2018.

21  
22       C. Plaintiff Is Left To Manage The SEC's Investigation Into DMG Without Any  
23 Participation From The Founders

24       45. As previously mentioned, DMG became involved in an SEC investigation concerning  
25 alleged violations of the FCPA in 2012. The investigation focused on DMG's alleged bribery of  
26 Chinese officials, including Han Sanping, the chief executive of the China Film Group, which is a

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28       

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<sup>9</sup> Plaintiff was able to engage Depp's participation via Plaintiff's longtime relationship with the head  
of Depp's company.

1 state-owned entity that effectively controls the movie industry in China. The SEC investigation also  
2 examined several Hollywood movie studios that engaged DMG to help navigate China's quota and  
3 censorship systems, and to secure distribution of their movies in China.

4 46. In or about March 2012, prior to the SEC informing DMG of its investigation of  
5 DMG, Mr. Sanping (who was accompanied by Mintz<sup>10</sup>) met with executives at Sony, Universal and  
6 Disney, and also met with Bruce Willis, who starred in *Looper*, in Los Angeles. At or around that  
7 time, Mintz was photographed with Mr. Sanping and several other unnamed officials from the China  
8 Film Group aboard a private jet flight that DMG organized to fly the individuals to Las Vegas for  
9 the weekend.

10 47. As the head of DMG's operations in the United States, Plaintiff oversaw, coordinated  
11 and became the face of DMG during its response to the SEC investigation, despite having no personal  
12 involvement in any of the events that gave rise to the investigation. At no point did Mintz, Wu or  
13 Xiao make themselves available to meet with the SEC for the investigation or alleviate the burden  
14 on Plaintiff. **This caused Plaintiff substantial stress and exerted an immense toll on his family  
15 life, given that his personal and professional reputation (which he had worked decades to build)  
16 was at risk of being destroyed.** The investigation also negatively impacted Plaintiff's ability to  
17 perform his job, as it tainted DMG's and Plaintiff's personal reputation with Hollywood studios,  
18 production companies, banks and financiers, among others.<sup>11</sup> Even worse, many of the lost business  
19 opportunities came with no explanation, since several of the Hollywood executives – whom Plaintiff  
20 dealt with on a regular basis and were people whom Plaintiff considered close friends – were under  
21 orders not to disclose the SEC inquiry of DMG as a reason for rejection. Instead, Plaintiff later  
22 confirmed his suspicions either when he learned of the hacked emails of Sony executives in late 2014  
23 or when those executives came clean to Plaintiff after his departure from DMG in 2018. Meanwhile,  
24

25 <sup>10</sup> According to The New York Times, Mintz accompanied Mr. Sanping in Los Angeles. **Exhibit 3:**  
26 Michael Cieply and David Barboza, *In China, Foreign Films Meet a Powerful Gatekeeper*, The New  
27 York Times (Apr. 29, 2012), <https://www.nytimes.com/2012/04/30/business/media/china-film-group-acts-as-a-powerful-gatekeeper.html>.

28 <sup>11</sup> The negative impact was so wide-reaching within the film industry that senior executives from  
Hollywood studios such as Skydance, Sony, Lionsgate, Universal, Disney, and Paramount all  
attempted to persuade Plaintiff to leave DMG, even offering to place him in touch with Hollywood's  
top recruiters or offer potential opportunities internally.

1 during the majority of the investigation, Mintz, Wu and Xiao stayed out of the United States and had  
2 no communications whatsoever with the SEC, leaving Plaintiff to manage the investigation on his  
3 own.

4       48. On February 28, 2013, Plaintiff met with members of the SEC's Los Angeles bureau.  
5 Plaintiff prepared and gave a presentation to educate the SEC on the workings of the Chinese film  
6 industry, and spent three and a half hours answering questions from the SEC about DMG's business,  
7 even though many of the questions pertained to events in China for which Plaintiff had no  
8 involvement. DMG's general counsel, Tim Shih, even praised Plaintiff for doing a "great job" during  
9 the presentation to the SEC. Throughout the investigation, Plaintiff handled DMG's response to the  
10 SEC's inquiries for information and documents. Plaintiff believed strongly in the purpose of DMG's  
11 mission of bridging China's and Hollywood's film industries – a mission that when successful, not  
12 only provides innovative access for Hollywood to the Chinese audience, but also, most importantly,  
13 fosters cultural diplomacy between the United States and China in a very high-profile way. As a  
14 result, Plaintiff tirelessly responded to any concerns that the SEC had against DMG with regard to  
15 the alleged FCPA violations. Plaintiff's responses to the SEC were in accordance with what he  
16 believed to be truthful at the time, although after seeing the reports of DMG's troubles in China over  
17 the course of 2018,<sup>12</sup> Plaintiff has reason to believe that pertinent information was deliberately  
withheld from him.

18       49. Ultimately, on September 2, 2015, due almost entirely to Plaintiff's efforts, the SEC  
19 informed DMG in a written letter stating that the investigation into "DMG Media" was completed  
20 and no enforcement action was recommended, though the matter was never officially closed. A true  
21 and correct copy of the letter is attached hereto as **Exhibit 4**. Thus, after enduring over three years  
22 with the black cloud of an SEC investigation hanging over his personal and professional life (which  
23 caused severe stress on both Plaintiff and Plaintiff's wife, as well as creating stress-related health  
24 issues to Plaintiff, and triggering long bouts of insomnia as evidenced by lengthy emails from  
25 Plaintiff to Mintz), Plaintiff had navigated the investigation to a best possible and successful  
26 conclusion, as described by DMG's counsel at Shepard Mullin and reiterated by Plaintiff's personal  
27 counsel at Caldwell Leslie & Proctor, PC.

28       

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<sup>12</sup> DMG became the subject of China's regulatory bodies and intense scrutiny by the media in 2018.

1

2 **D. DMG Agrees To Purchase H2F, Promises To Pay Plaintiff Performance Bonuses, And**

3 **Promises To Compensate Plaintiff “Nicely” In The Event Of An Eventual IPO**

4 50. In or about the summer of 2012, Mintz approached Plaintiff about purchasing H2F  
5 and hiring Plaintiff to work full-time for DMG. Up to that point, Plaintiff was operating H2F  
6 separately from DMG and developed projects unrelated to DMG, with the full knowledge,  
7 understanding and approval of Defendants. However, DMG had grown its movie business to the  
8 point where Mintz no longer wanted Plaintiff to represent two separate businesses simultaneously  
9 (i.e. DMG and H2F) and insisted that Plaintiff and H2F formally become DMG’s Los Angeles-based,  
10 North American headquarters. Mintz, Xiao, and Wu all strived for DMG to appear as an international  
11 company with real infrastructure in the U.S. in order to prime for an eventual China-listed IPO or  
12 reverse merger, and the acquisition of H2F and Plaintiff was Defendants’ means for accomplishing  
13 that goal.

14 51. At the time, DMG was also considering an Initial Public Offering or reverse merger  
15 (to skip the queue of other IPO-interested companies) under the name “DMG Yinji”,<sup>13</sup> on the  
16 Shenzhen Stock Exchange. During the negotiations for DMG to purchase H2F and hire Plaintiff as  
17 a full-time employee, Mintz and Wu promised (on numerous occasions) to compensate Plaintiff with  
18 a bonus in the event of the IPO, along with performance bonuses. This negotiation occurred after  
19 Plaintiff had secured the partnership with Marvel and Disney on *Iron Man 3* (which became the  
calling-card success-story that propelled DMG into a successful launch of its IPO).

20 52. **Specifically, in consideration for Plaintiff to agree to sell H2F to DMG and**  
21 **instead work full-time for DMG, beginning in or about the summer of 2012 and continuing**  
22 **through November 2013, Mintz repeatedly promised Plaintiff that DMG would “take care of**  
23 **him nicely in the event of an IPO.”** DMG’s general counsel, Tim Shih, acknowledged this promise  
24 by Mintz to compensate Plaintiff in the event of an IPO, stating in a November 14, 2013 email:  
25 “Obviously there is an understanding between Dan and Chris regarding the IPO.” A true and correct

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26

27 <sup>13</sup> Mintz and Wu later renamed DMG Yinji to “Yinji Entertainment And Media Co., Ltd.” in a veiled  
attempt to segregate DMG’s U.S. operations from DMG’s China operations. Mintz and Wu have  
28 also unsuccessfully attempted to distance themselves from Xiao in the second half of 2018. Wu is  
publicly listed as chairman of Yinji Entertainment And Media Co., Ltd. (see Exhibit 16).

1 copy of this email is attached hereto as **Exhibit 5**. Due to the prohibition by the Chinese government  
2 on the foreign ownership of stock in publicly traded companies, it was known and understood by  
3 DMG that Plaintiff's compensation legally could not be provided in the form of DMG equity,<sup>14</sup> but  
4 rather must be in the form of monetary compensation.

5       53. Ultimately, Plaintiff and DMG agreed to the terms of the purchase and sale of H2F in  
6 two (2) phases. *First*, on or about September 20, 2012, Plaintiff entered into an "Agreement for  
7 Purchase of Sale and Stock" with DMG (through DMG shell-entities New Asia Success Partners,  
8 and DMG (Hong Kong) Group Ltd.), whereby DMG agreed to purchase 49.9% of H2F from Plaintiff  
9 for \$1,000,000 (the "First Stock Purchase Agreement"). A true and correct copy of the First Stock  
Purchase Agreement is attached hereto as **Exhibit 6**.

10      54. *Second*, on or about November 18, 2013, Plaintiff entered into a second stock  
11 purchase agreement with DMG (through DMG shell-entity New Asia Success Partners Limited),  
12 whereby Plaintiff agreed to sell his remaining 50.1% interest in H2F to DMG (the "Second Stock  
13 Purchase Agreement"). In exchange, DMG agreed to pay \$4,020,000 to Plaintiff, over the course of  
14 five years at \$800,000 per year (plus an additional \$20,000 during the first year), pursuant to the  
15 schedule set forth therein. The Second Stock Purchase Agreement was intentionally backdated by  
16 DMG to January 1, 2013. A true and correct copy of the Second Stock Purchase Agreement is  
17 attached hereto as **Exhibit 7**.

18      55. In tandem with the Second Stock Purchase Agreement, Plaintiff entered into a  
19 separate agreement dated November 18, 2013 with DMG (through DMG shell-entity New Asia  
20 Success Partners Limited) for "Other Arrangements," which sets forth the terms of Plaintiff's full-  
21 time employment with DMG from 2013 through 2017 (the "Employment Agreement"). Under the  
22 Employment Agreement, Plaintiff's total annual compensation was \$1,000,000 over five years,  
23 which included the \$800,000 per year that Plaintiff was to receive under the Second Stock Purchase  
24 Agreement in exchange for the remaining interest in H2F, and \$200,000 per year paid through payroll  
25 by DMG Management Services, Inc.<sup>15</sup> DMG made each of the scheduled payments under the Second

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26  
27      <sup>14</sup> As previously discussed, U.S. citizens are prohibited from owning equity in a company that is  
publicly listed in China's stock exchange.

28      <sup>15</sup> At all times, DMG interchanged which legal entity conducted certain activities. For example,  
Plaintiff's contract for "Other Arrangements" was entered into by New Asia Success Partners

1 Stock Purchase Agreement and Employment Agreement from 2013 to 2017. A true and correct copy  
2 of the Employment Agreement is attached hereto as **Exhibit 8**.

3       56. Pursuant to the ongoing conversations between Plaintiff, Mintz and Wu, **Section 1 of**  
4 **the Employment Agreement provides that Plaintiff “DMG agrees in good faith that [Plaintiff]**  
5 **‘shall be taken care of nicely’ in the event of an initial public offering of DMG.”** Section 1  
6 **further states that “DMG also recognizes and agrees in good faith that [Plaintiff] shall be paid**  
7 **bonuses for his contributions to DMG....”** This provision was included in the numerous drafts of  
8 the Second Stock Purchase Agreement and Employment Agreement, each of them drafted by Tim  
9 Shih on DMG’s behalf.<sup>16</sup>

10      **\*\*DMG’s ratification of the First Stock Purchase Agreement, Second Stock Purchase Agreement,**  
11 **and Employment Agreement\*\***

12       57. Although Plaintiff never received counter-signed copies of the Second Stock Purchase  
13 Agreement or Employment Agreement from DMG,<sup>17</sup> Mintz confirmed (and thereby ratified) DMG’s  
14 acceptance of the agreements in a December 3, 2013 email, wherein Mintz stated: “OK from my  
15 side!” A true and correct copy of the email exchange between Mintz, Plaintiff and Tim Shih is  
16 attached hereto as **Exhibit 9**.

17       58. The terms of the Employment Agreement were intended to be held confidential  
18 between Plaintiff and DMG. However, after Plaintiff was forced to leave DMG in February of 2018,  
19 Plaintiff discovered that the Employment Agreement had been shared with other DMG employees  
20 who had no reason to possess such information. One of which was Eric Sullivan, who then further  
21  
22

23 Limited (and defined as DMG), but Plaintiff was on payroll through DMG Management Services,  
24 Inc. This further illustrates how each of the separate entities under the DMG umbrella operated as  
25 one cohesive unit and as alter-egos of one another.

26 <sup>16</sup> For example, in one of the drafts, DMG stated: “It is further agreed in good faith that Fenton ‘shall  
27 be taken care of nicely’ in the event of an Initial Public Offering of DMG, presently scheduled for  
28 2014 on a China exchange...”

27       <sup>17</sup> Most of DMG’s documents and records were maintained in China, including the various  
28 agreements that Plaintiff entered into with DMG. DMG’s failure to provide Plaintiff with fully  
executed copies of the various agreements was the result of the consistent disorganization of record  
keeping on the China-side of DMG.

1 publicized the terms of the Employment Agreement with at least one other employee.<sup>18</sup>

2       59. On December 9, 2013, in response to Plaintiff's request for the first payment due  
3 under the Second Stock Purchase Agreement and Employment Agreement (i.e. \$500,000 on  
4 November 15, 2013), Mintz reaffirmed his consent to both agreements, stating: "Please make sure  
5 the wire goes out to Chris ASAP." In the same email chain, Tim Shih also confirmed that he had  
6 made the application for the agreements to be "chopped," the method for executing contracts under  
7 Chinese custom and practice. A true and correct copy of the email exchange between Plaintiff, Mintz,  
8 Tim Shih and DMG's finance director is attached hereto as **Exhibit 10**.

9       60. On or about March 27, 2014, New Asia Success Partners and Healthy Soar Investment  
10 Limited entered in an "Share Purchase Agreement," wherein DMG again acknowledged that DMG  
11 was a party to both the First Stock Purchase Agreement and Second Stock Purchase Agreement,  
12 which includes the Employment Agreement. A true and correct copy of the "Share Purchase  
13 Agreement" is attached hereto as **Exhibit 11**.

14       61. In or about April 2014, Plaintiff, H2F, New Asia Success Partners Limited and  
15 Healthy Soar Investment Limited, entered into an "Assignment and Assumption Agreement,"  
16 wherein DMG again acknowledged that DMG was a party to both the First Stock Purchase  
17 Agreement and Second Stock Purchase Agreement, which includes the Employment Agreement. A  
18 true and correct copy of the "Assignment and Assumption Agreement" is attached hereto as **Exhibit**  
**12.**

19       62. In a personally signed October 22, 2014 letter, Mintz again confirmed that DMG was  
20 a party to the agreements, stating:

21           "Chris Fenton is DMG's GM of North America as well as President of DMG  
22 Entertainment's Motion Picture Group. Plaintiff is an essential part of our senior  
23 executive staff...For the next 3.3 years of his present contract, Plaintiff's gross  
24 compensation will be a minimum of \$1,000,000 USD, paid through an annual  
\$800,000 purchase of his remaining personal shares in his former company, H2F  
Entertainment, and a \$200,000 base. **As evidenced by the last couple years, Mr.**  
**Fenton is also entitled to bonuses based on his annual performance.**"

25  
26  
27  
28       <sup>18</sup> That employee later called Plaintiff to discuss the specifics of the Employment Agreement,  
however, that information was never supposed to have become available to that employee.

1       63. In the October 22, 2014 letter, Mintz also states the following, which acknowledges  
2 that Yinji Entertainment And Media Co., Ltd. is a part of DMG as a whole:

3             “A privately owned Chinese company with large international reach since 1991,  
4 **DMG will become a publicly traded company on the Shenzhen Stock Exchange**  
5 next month with a projected market capitalization of roughly \$4.2 billion USD. For  
6 international business transactions, DMG uses several offshore entities including the  
7 Hong Kong Corporation, **Healthy Soar Investment Limited**, as well as the BVI  
Corporation, **New Asia Success Partners Limited.**”

8       A true and correct copy of Mintz’s October 22, 2014 letter is attached hereto as **Exhibit 13.**

9       **E. DMG Successfully Executes The IPO And Breaches Its Promises To Plaintiff**

10      64. In or about April 2014, DMG announced that it was planning the “back-door” IPO of  
11 DMG through a reverse merger with a meat processing company, Sichuan Gaojin Food.<sup>19</sup> The “back-  
12 door” listing allowed DMG move to the front of the line for the IPO, as the Chinese government had  
13 only recently started allowing IPOs again after fourteen (14) months in which the market was dark.  
14 There were reportedly six hundred (600) companies seeking an IPO in China at the time, including  
15 several other entertainment industry companies, such as Shanghai Film Corporation and Wanda  
16 Cinema Line. Both *Looper* and *Iron Man 3* – massive, and very publicly reported, success stories  
17 that were sourced, handled, and negotiated by Plaintiff – were major selling points for DMG’s IPO  
18 to Chinese investors.

19      65. On or about November 14, 2014, DMG completed the IPO<sup>20</sup>, when Sichuan Gaojin  
20 Food issued 897.5 million new shares to the owners of DMG. As part of this transaction, Xiao, who  
21 owned (with both Mintz and Wu) 91% of DMG before the transaction, ultimately held 74%  
22 ownership of the newly-merged publicly traded company after the reverse-merger. Upon  
23 information and belief, Xiao was also holding respective ownership shares in trust for Mintz and Wu,

24      <sup>19</sup> Sichuan Gaojin Food was already listed on the Shenzhen Stock Exchange, and was to merge with  
25 DMG under the name “Yinji Entertainment And Media Co., Ltd.”; See also **Exhibit 14:** Julie  
26 Makinen, *DMG Entertainment is going public on Shenzhen Stock Exchange*, L.A. Times (Apr. 25,  
27 2014), <https://www.latimes.com/entertainment/envelope/cotown/la-fi-ct-china-dmg-20140426-story.html>.

28      <sup>20</sup> **Exhibit 15:** Russell Flannery, *DMG’s Backdoor Listing Turns Peter Xiao Into China’s Latest Billionaire*, Forbes (Nov. 16, 2014), <https://www.forbes.com/sites/russellflannery/2014/11/16/dmgs-backdoor-listing-turns-peter-xiao-into-chinas-latest-billionaire/#287d4c90ce78>.

1 as the Founders each split their respective ownership of DMG evenly.

2       66. On its first day of trading on the Shenzhen Stock Exchange, DMG's shares closed at  
3 16.63 yuan, placing DMG's value at roughly \$3 billion USD, with the collective ownership interest  
4 of the Founders at \$2.2 billion USD. At its peak on or about November 30, 2015, the share price of  
5 DMG reached 26.25 Yuan<sup>21</sup>, which amounted to a market capitalization well north of \$5 billion USD.

6       67. At no time has DMG compensated Plaintiff in any way, shape or form in connection  
7 with the IPO (whether in the form of a bonus or otherwise), despite DMG's contractual obligation to  
8 do so and Plaintiff's demands therefore. Nevertheless, Plaintiff continued to work diligently and  
9 passionately for DMG, in full reliance that his bonus compensation under the Employment  
10 Agreement would be paid without unreasonable delay.

11      F. **DMG Reaffirmed Its Promise To Compensate Plaintiff After The IPO**

12       68. On numerous occasions during the years following DMG's IPO, each of the Founders  
13 reaffirmed and reassured Plaintiff that he would receive his bonuses pursuant to the Employment  
14 Agreement.

15       69. On or about May 2, 2015, during a flight on a Gulfstream 550 private jet provided by  
16 Wynn Resorts to Las Vegas, Nevada for the "Fight of the Century" between Manny Pacquiao and  
17 Floyd Mayweather, Xiao told Plaintiff: "You should get used to flying private. We are all rich now."  
18       <sup>22</sup> Xiao was known as a "whale" to the Wynn Las Vegas hotel and casino, given the substantial  
19 amount of money he was known to gamble.<sup>23</sup> Even with many of Las Vegas' largest gamblers in  
20 town that weekend for the fight, Xiao was granted full use of the Wynn's jet, and was comped three,  
21 10,000 square foot private villas at the Wynn hotel.

22       70. On or about July 12-13, 2015, during a trip to Milan for Wu's birthday, whereby Mintz

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23       <sup>21</sup> See Exhibit 16: *Yinji Entertainment and Media Co Ltd*, Bloomberg, <https://www.bloomberg.com/quote/002143:CH> (last updated Feb. 22, 2019).

24       <sup>22</sup> Xiao is not proficient in English, however, this is the gist of what Plaintiff understands Xiao had  
25 said during the private flight to Las Vegas.

26       <sup>23</sup> Xiao's 8-figure gambling debts have been reported press numerous times. Over the years Plaintiff  
27 had to defend Xiao's numerous gambling debts to journalists and business associates. Julia  
28 Hollingsworth, *Why Singapore casinos can't collect from China's high rollers*, South China Morning  
Post (May 31, 2017), <https://www.scmp.com/news/china/diplomacy-defence/article/2096328/why-singapore-casinos-cant-collect-chinas-high-rollers>.

1 and Wu arrived on DMG's Challenger 850 private jet (which was later traded in for a larger Global  
2 Express jet) Wu told Plaintiff and Plaintiff's wife on several occasions that he was going to be taken  
3 care of by the Founders very well, and that Plaintiff would be rich like them, stating: "The IPO made  
4 us rich, and you will be rich from it too."<sup>24</sup>

5 71. On or about January 30, 2016, during a Mandarin karaoke party after DMG's annual  
6 gala in Beijing, Wu pulled Plaintiff aside to praise him for his karaoke performance (where Plaintiff  
7 performed a song in Mandarin) at the gala in front of hundreds of DMG employees and spouses, and  
8 then she stated, "You're part of the family with me, Dan [Mintz], and Peter [Xiao], and we are going  
9 to make you and [your wife] rich."

10 72. On or about April 23, 2016, during a birthday party for Mintz at DMG's \$50 million  
11 house in Beverly Hills, California, Wu again told Plaintiff that he would be compensated for the IPO,  
12 stating: "The IPO made us rich, and you will be rich from it too."

13 73. On or about January 18, 2017, during a Chinese New Year event in Beijing, Wu stated  
14 to Plaintiff:<sup>25</sup> "We set up an entity to properly take care of you as we promised years ago. If we are  
15 rich, we want members of our family to be rich too." "Chris deserves that," Wu added. Mintz walked  
16 in on the conversation and asked: "What are we all talking about?" Wu responded by reiterating that  
17 she and Mintz would make Plaintiff and his family<sup>26</sup> wealthy like the Founders. Mintz nodded in  
18 agreement, but he showed some concern that Wu had made such a promise to Plaintiff in front of  
other employees.

19

20 **G. DMG Highly Leverages Its Stock, Diverts Hundreds Of Millions Of Dollars Out Of**  
**China, Spends Lavishly, And Causes DMG's Stock Price To Collapse Before Compensating**  
**Plaintiff In Accordance With The Employment Agreement**

21 74. At all relevant times following the IPO, Defendants continued to spend irresponsibly  
22 and leverage DMG's assets against high risk loans, with full knowledge that Plaintiff had yet to  
23 receive his bonus compensation according to the Employment Agreement.

24 \_\_\_\_\_  
25 \_\_\_\_\_  
26 \_\_\_\_\_  
27 <sup>24</sup> Mintz was present when Wu made the statement to Plaintiff, and affirmed Wu's statements.  
28 <sup>25</sup> This statement was made by Wu in front of two U.S.-based DMG colleagues as witnesses.  
29 <sup>26</sup> Wu made specific reference to "The Golden Pigs", which was a reference to Plaintiff's twins who  
were born during a very rare period in the Year of the Pig.

1       75. Plaintiff is informed and believes, and thereon alleges, that in the years following  
2 DMG's IPO, the Founders began to leverage (i.e. borrow against) DMG's stock and transfer that  
3 money offshore, outside the purview and jurisdiction of the Chinese government.

4       76. Plaintiff is further informed and believes, and thereon alleges, that the Founders  
5 pledged more than 50% of the shares of DMG as collateral for third-party loans, and, in the process,  
6 borrowed hundreds of millions of dollars and distributed that money to various entities throughout  
7 the world using a variety of complex transactions.

8       77. With the proceeds of these loans, the Founders spent lavishly for their own personal  
9 benefit, including but not limited to: a \$20 million mansion in Beverly Hills (now estimated to be  
10 worth \$50 million); a separate home in West Los Angeles; multiple airplanes, including a \$25 million  
11 Bombardier Challenger 850 private jet and a \$30 million Bombardier Global Express private jet;  
12 numerous luxury cars, including Rolls-Royces, Bentleys and Ferraris; and incurred millions of  
13 dollars of debt for experimental, regenerative medical treatments.<sup>27</sup>

14       78. Moreover, DMG frivolously spent over one hundred-million dollars acquiring various  
15 intellectual property rights, including but not limited to: Valiant Entertainment (roughly \$100  
16 million) which created the third largest comic book universe behind Marvel and DC; a spin-off of  
17 Marilyn Monroe's intellectual property known as *Mini Marilyn*, through a deal with Leonard Green-  
18 owned Authentic Brands Group (\$5 million); Brandon Sanderson's library of books, including books  
19 pertaining to his connected universe, *The Cosmere* (\$1 million); a *Transformers*-themed live show  
20 through an agreement with Hasbro Studios (\$12 million); and a 3D conversion of Jim Cameron's  
21 *Terminator 2* (\$10 million) for the purpose of marketing and distributing in China yet both the  
22 marketing and distribution divisions were in the process of being eliminated and a couple years later  
23 the finished film as yet to be released.

24       79. As further example of DMG's reckless risk taking in return for powerful press  
25 announcements, manufactured shareholder excitement, and potential financial engineering, Mintz  
26 instructed Plaintiff and DMG's outside counsel in late 2016 to structure perplexing economic deals  
27 with top actors, directors, and producers. The deals were structured as follows: DMG would receive

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28       27 Mintz and Wu were eventually sued in connection with its investment in experimental, regenerative  
medical treatments in Los Angeles Superior Court. The matter is presently set for trial in 2019.

1 \$30 million from the respective artist over three years, and in return, DMG would pay \$45 million to  
2 the respective artist over the three-year period. Upon information and belief, DMG was planning to  
3 keep the \$45 million expense off the books. Mintz knew that DMG's valuation on the Chinese stock  
4 market was calculated at roughly 40-times the value of DMG's net profit. Thus, by injecting \$30  
5 million in cash into DMG without reporting the expense, the market-valuation for DMG would  
6 increase by an astounding \$1.2 billion!

7 80. Both Plaintiff and DMG's outside counsel referred to these illogical deals as "infinity  
8 multiples" since DMG would never get its money back. Mintz would argue, "no they are not! They  
9 are 1.5 multiples! I don't see what's so confusing to people about this!" Under intense pressure  
10 from Mintz, both Plaintiff and DMG's counsel worked on pitching these irrational deals to an A-list  
11 actor and a producer with these offers. After several meetings with representatives for both artists,  
12 one attorney eventually said, "None of this makes sense. This deal simply doesn't pass the smell  
13 test." That attorney ultimately turned down the deal, as did the reps for the other artist in September  
14 2017. Afterwards, Plaintiff said to DMG's outside counsel, "going around town with this kind of  
15 preposterous deal is going to make us stink too!" DMG's outside counsel agreed, so Plaintiff told  
16 both Eric Sullivan and Mintz separately that pursuing these types of deals should be abandoned both  
17 because they make DMG look bad, and also that no logical and worthwhile artist or their reps would  
18 agree to them. Mintz responded, "I'm not sure why Zack<sup>28</sup> and his team can close so many innovative  
deals and you [Plaintiff] can't."

19 81. Meanwhile, the highly leveraged nature of DMG's stock created extreme volatility in  
20 DMG's share price, which caused the Chinese government to suspend trading of DMG's stock on  
21 multiple occasions.<sup>29</sup> This, in turn, contributed to a collapse in the market value for DMG's stock.  
22 As of late December of 2018, DMG's share price had dropped from a high of 26.25 Yuan to well-  
23 under 3.00 Yuan. By the time Plaintiff was forced out of DMG in February 2018, the stock had  
24

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25 <sup>28</sup> Zack Fu was a DMG employee who oversaw mergers and acquisitions for DMG in China. Fu left  
26 DMG shortly thereafter.

27 <sup>29</sup> Trading of DMG stock was suspended on January 2018 through July 9, 2018, and then again on  
28 both July 9, 2018 and July 10, 2018. Moreover, on or about July 27, 2018, the stock of DMG's  
controlling shareholder, Xiao, was frozen by a Chinese court for three years, or until DMG repays  
the debt underlying the court order. This will reportedly cause a lower credit rating for DMG and  
hinder its ability to obtain future financing.

remained relatively stable around 15.00 Yuan.

82. Plaintiff is further informed and believes that DMG's financial dealings have also drawn the scrutiny of the Chinese government. Amid this scrutiny, and the associated problems with DMG's stock, Plaintiff is informed and believes that the Founders have fled China and left DMG's presence in China in shambles, with hundreds of employees losing their jobs, and, in some cases, subordinates discovering they are legal guarantors of the outstanding debts incurred by Mintz, Wu, and Xiao. In fact, the financial information released by DMG for the first half of 2018 show that DMG's revenue had plummeted 49.4% from that time period during the prior year, and that net profits have fallen from \$39 million USD in the first half of 2017, to \$3.2 million USD in the first half of 2018, a drop of 91.9%.

83. Meanwhile, Mintz has now made demonstrative attempts to distance DMG's U.S.-based operations from its Chinese operations, after relying upon that very same connection for almost two decades, and effectively bleeding DMG dry after the IPO. In response to the media's inquiry into DMG's financial troubles, Mintz tried to distance DMG from DMG Yinji, stating: "This is irrelevant. DMG Entertainment is not Yinji, and therefore has no bearing on DMG."<sup>30</sup>

#### **H. Plaintiff Learned Of Fiscally Reckless Activities By DMG And The Founders**

84. Through the 17 years of Plaintiff's employment with DMG, Plaintiff has carried himself as an honest and responsible leader for DMG. However, Plaintiff now realizes that despite his constant desire to be a great team player and team leader, DMG and its Founders have long been placing Plaintiff in situations which have made it increasingly difficult for Plaintiff to perform his duties as President of DMG's Entertainment Motion Picture Group, and the General Manager of DMG North America.

85. As one of the leaders for DMG in both the United States and China, Plaintiff put his credibility and long-standing reputation on the line on a daily basis defending both DMG and the Founders from scrutiny by industry colleagues, the media, and both U.S. and Chinese

<sup>30</sup> Patrick Brzeski, *DMG Entertainment's Chinese Affiliate Crashes on Shenzhen Stock Exchange*, The Hollywood Reporter (Aug. 20, 2018), <https://www.hollywoodreporter.com/news/dmg-entertainments-chinese-affiliate-crashes-shenzhen-stock-exchange-1135580>.

1 **government authorities.** Only recently towards the end of his employment did Plaintiff learn about  
2 the depth of DMG's activities that the Founders have been actively concealing from Plaintiff, which  
3 have made it impracticable for Plaintiff to perform his duties.

4 86. In addition to the events that were discussed herein, traces of the Founders'  
5 questionable activities began to appear as early as September 2010. Mintz asked Plaintiff to transport  
6 \$600,000 in cash from Los Angeles to a casino in Las Vegas. Although Mintz was pressuring  
7 Plaintiff into performing an activity that he was not comfortable with, Plaintiff ultimately refused to  
8 transport \$600,000.00 in cash from Los Angeles to Las Vegas unless Mintz confirmed that such cash  
9 was properly documented or declared through appropriate tax authorities. Plaintiff emailed to Mintz  
10 instructions from an accountant on how to properly do this. Rather than confirm that the funds should  
11 be declared, Mintz instructed another DMG employee to transport the funds. Plaintiff ultimately did  
12 not participate in the transfer of funds, and to date has no knowledge as to whether any of said funds  
13 were ever wired to Beijing.

14 87. Another early example occurred in February 2016, when Plaintiff questioned DMG's  
15 business affairs team about a lease of a Ferrari that was listed as a DMG expense on the general  
16 ledger. Upon information and belief, and against the advice of DMG staff and Mintz's advisers,  
17 DMG accountants were instructed to track the Ferrari lease as a business expense rather than Mintz's  
18 personal expense.

19 88. By 2017, Plaintiff was deliberately kept in the dark of DMG's activities, including  
20 but not limited to Mintz's, Wu's, and Xiao's activities involving leveraging of DMG stock, as well  
21 as pertinent details surrounding the near-\$100 million purchase of Valiant Entertainment.

22 89. Plaintiff was made aware of repeat instances where DMG transmitted funds from  
23 entities in China into the U.S. as "loans" for various purposes. In many instances, the "loans" were  
24 issued first and then paperwork was subsequently drawn up by DMG's counsel to make the loans  
25 appear legitimate rather than appear as payments sent to the U.S. In one example, real estate property  
26 taxes for a personal home located at 1655 Gilcrest in Los Angeles, California have been paid by  
27 DMG via Pacific Metro Group in the form of a "loan" that was transmitted from China to the U.S.  
Upon information and belief, DMG does not use this home for any legitimate business purpose.

28 90. As further evidence of these "loans," in June 2017, DMG's Director of Finance alerted

1 Plaintiff of large sums of money that were disbursed from the various entities and repaid interest-  
2 free. Plaintiff was informed that DMG's various shell corporations were transferring funds between  
3 them in the form of undocumented "loans" (loans for which DMG has no paper trail or deal terms  
4 on file). Per DMG's Director of Finance, these loans had accrued up to \$12.3 million in interest,  
5 though there were no records of any interest being paid on such loans by the various DMG entities.  
6 When Plaintiff asked if this kind of accounting and record keeping was compliant, Plaintiff would  
7 never get an answer or in many cases would find himself removed from the email discussions moving  
8 forward. When Plaintiff then raised these concerns with Mintz, Mintz responded: "Don't email stuff  
9 like that. Why is she (Director of Finance) emailing that?"

10       91. As previously mentioned, DMG's stock price began to decline at such an alarming  
11 rate that China's regulatory body placed a regulatory freeze on the sale of DMG stock. Plaintiff  
12 would repeatedly inquire about DMG's accounting practices because, as the acting President of  
13 DMG's Entertainment Motion Picture Group, and the General Manager of DMG North America,  
14 Plaintiff had a professional obligation to make sure that DMG would stay afloat. Even more than  
15 that, Plaintiff's professional reputation was becoming inextricably linked with the negative press and  
questionable activities by DMG and the other Defendants.

16       92. Plaintiff was repeatedly left in the dark by Defendants about the regulatory activity of  
17 DMG stock. Upon information and belief, Defendants purposefully withheld this information from  
18 Plaintiff. For example, for reasons unknown to Plaintiff, large quantities of stock shares were being  
19 held by several low-level employees of DMG.<sup>31</sup> Only later did Plaintiff discover that these shares  
20 were then leveraged as collateral for loans with Chinese banks, all done at the instruction and for the  
21 benefit of Mintz, Wu, and Xiao. The loans were obtained under the names of the aforementioned  
22 low-level employees without Plaintiff's involvement or knowledge. At least one of these employees  
23 pleaded to Plaintiff for help after Plaintiff's departure from DMG because said employee was now  
24 being pursued by Chinese banks and Chinese Securities Regulatory Commission for unpaid debts

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25       26       27       28       29       30       31 Some of these low-level employees were part of a on-stage ceremony at the annual DMG gala in  
Beijing where Plaintiff would hand each of the esteemed employees medals. DMG would  
acknowledge their employees' accomplishments through the reward of stock ownership. During  
these instances, Plaintiff asked Mintz what exactly is being rewarded specifically to each of the said  
employees but never received a straight answer. Mintz would get annoyed and dismiss Plaintiff's  
inquiries by instruct Plaintiff to "just hand out the medals."

1 and taxes that accrued from the pledged shares whose collateral was guaranteed by that employee.  
2 Plaintiff is informed and believes, and thereon alleges, that these DMG low-level employees now  
3 owe roughly \$220,000,000 USD (1.5 Billion Yuan) to Chinese banks and investors due to various  
4 unpaid loans that were issued to the Defendants.

5       93. Concurrently in 2017, Plaintiff and Mintz were negotiating the final tranche purchase  
6 of Valiant, which is presently one of the largest comic book publishers behind Marvel and DC. The  
7 negotiations took roughly 3 years to make a complicated series of transactions that put DMG and  
8 Mintz firmly in control of Valiant with roughly 98% ownership. During those 3 years, Plaintiff held  
9 a seat on Valiant's board, a position that was assumed, by Plaintiff, to continue upon the final closing  
10 of the purchase, especially since Plaintiff initially brought the purchase opportunity to DMG and also  
11 led the multi-year charge of acquiring full control of the asset. However, unbeknownst to Plaintiff,  
12 Mintz was secretly removing Plaintiff of his duties and authority within DMG by replacing Plaintiff  
13 from the board of Valiant with Eric Sullivan. Neither Mintz nor Mr. Sullivan informed Plaintiff of  
14 his removal from the board of Valiant, rather, Plaintiff discovered this inadvertently while he was  
15 reviewing changes to the final Valiant purchase agreement. Had Plaintiff not reviewed the purchase  
16 documents, Plaintiff would otherwise never have known that he was being removed from the board  
17 of Valiant.

18       I. **Plaintiff Voiced His Concerns To Mintz And Was Subsequently Forced To Resign**

19       94. Following each of the aforementioned instances, Plaintiff voiced his concerns to  
20 Mintz regarding DMG's stock activity and his removal from the board of Valiant. Plaintiff took  
21 extraordinary efforts to advise Mintz in good faith on what DMG needed to do to steer the ship in  
22 the right direction. However, it became clear that Mintz only treated Plaintiff's "boy scout" mentality  
23 as a hurdle to Defendants' ongoing activities when it became time to discuss Plaintiff's continued  
24 employment. Plaintiff realized that DMG's ability to hide behind Plaintiff's clean reputation on a  
25 business to business level or business to government level was no longer possible. As a result,  
26 Plaintiff was no longer motivated to fight certain battles for DMG or behave in a manner complicit  
27 with the Defendants' actions, losing faith in DMG's mission that Plaintiff once fought hard to protect.

28       95. By the end of 2017, Plaintiff was due to negotiate the terms of his ongoing

1 employment with DMG. Plaintiff demanded that Mintz honor the terms of the Employment  
2 Agreement and compensate Plaintiff following the successful launch of the IPO in 2014 and all of  
3 the excellent work that Plaintiff performed on DMG's behalf. Rather than engage in a friendly  
4 negotiation with Plaintiff, Mintz instructed Plaintiff to speak directly to DMG's counsel at Venable.  
5 Mintz did add in a frustrated tone, "Don't worry. I'll take care of you!" Plaintiff responded to Mintz  
6 by stating that he too would have his counsel participate in the discussions, and told Mintz to expect  
7 a call. Mintz in turn replied by telling Plaintiff: "You do a deal directly with me and Venable." In  
8 other words, DMG would *not* speak to any lawyers acting on Plaintiff's behalf, and that if Plaintiff  
9 wanted to be compensated then Plaintiff would have to speak directly to DMG's attorneys at Venable  
10 to discuss Plaintiff's compensation pursuant to the Employment Agreement.

11       96. Despite this unreasonable demand from Mintz, Plaintiff acquiesced and spoke to  
12 Venable without his own legal representation. As the conversation between Plaintiff and Venable  
13 progressed, it became clear that DMG would not pay Plaintiff either of his bonus following the DMG  
14 IPO or his performance bonuses. Plaintiff also made it clear to Mintz that the ongoing conversations  
15 regarding the Employment Agreement had been very taxing on Plaintiff's relationship with Mintz,  
16 and made it seem to Plaintiff as if Mintz did not really want Plaintiff in DMG's way. As a result of  
17 Plaintiff voicing his concerns about unpaid bonus compensation and detrimental working conditions,  
18 Plaintiff was compelled to resign, and DMG ended Plaintiff's employment on February 23, 2018.  
19 Defendants to date have failed to honor the IPO bonus provision in Plaintiff's Employment  
Agreement.

20       97. Upon information and belief, part of the reason for Mintz forcing Plaintiff to resign  
21 was due to Plaintiff's constant desire to address his ongoing concern over DMG's activities. Mintz  
22 viewed Plaintiff's desire to seek answers concerning DMG's activities as an obstacle and a threat to  
23 Defendants. Thus, as time drew closer to discuss Plaintiff's compensation under the Employment  
24 Agreement and terms for continued employment, Mintz was substantially motivated by a desire to  
25 move Plaintiff out of DMG's way and avoid any further compensation for Plaintiff (including any  
26 past-due compensation), thereby bringing an end to Plaintiff's employment.

27       98. After Plaintiff's employment with DMG ended, the stock price of DMG continued to  
28 plummet. According to numerous financial analysts, much of the decline on DMG's share price was

1 linked to the public information concerning unpaid loans backed against stock shares, as well as other  
2 factors such as Xiao's outstanding gambling debts.

3       99. Or about June 2018, Plaintiff was informed that he would be named in a lawsuit<sup>32</sup> by  
4 The Orange Happy Poet, Inc. and Neutrino Corp. as a co-defendant with Valiant, DMG, Mintz, and  
5 other individuals for allegations involving the Valiant purchase. Plaintiff argued to Mintz, in concert  
6 with DMG's outside counsel,<sup>33</sup> that Mintz should buy-out the minority shareholder rather than face  
7 potential liabilities from Valiant's minority shareholders down the road. Mintz refused, which then  
8 led to the lawsuit filed by Neutrino Corp. on September 14, 2018<sup>34</sup> against Plaintiff and his co-  
9 defendants, even though a) Plaintiff told Mintz how to avoid the lawsuit and do the right thing to  
10 avoid such a liability, and b) more importantly, Plaintiff was removed from the board, unbeknownst  
11 by Plaintiff, before DMG completed the Valiant purchase.

12       100. Plaintiff risked his reputation and credibility<sup>35</sup> while fulfilling his duties as President  
13 of DMG's Entertainment Motion Picture Group, and the General Manager of DMG North America.  
14 Yet, towards the end of his term, the Founders were actively controlling Defendants' activities  
15 without Plaintiff's knowledge in a deliberate attempt to conceal the activities from Plaintiff. Plaintiff  
16 nevertheless learned of these activities towards the end of his tenure and addressed it with Mintz and  
17 the other Defendants. When it came time to address Plaintiff's compensation, Defendants took  
18 adverse action by bringing an end to Plaintiff's employment with the specific intent of avoiding  
19 Plaintiff's bonus compensation pursuant to the Employment Agreement, as well as preventing  
20 Plaintiff from interfering with Defendants' ongoing activities. Plaintiff now brings the following  
causes of action as a result.

21       ///

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22       <sup>32</sup> A copy of the caption page for the draft complaint that was sent by The Orange Happy Poet, Inc.  
23 and which names Plaintiff as a co-defendant is attached hereto as **Exhibit 17**.

24       <sup>33</sup> At the time, Greenberg Traurig was representing DMG in the Valiant purchase.

25       <sup>34</sup> A complaint was ultimately filed by a different but similarly situated company, Neutrino Corp., on  
September 14, 2018, Los Angeles Superior Court Case No. BC721321, which names Plaintiff  
26 individually as a defendant. A true and correct copy of the caption page in that case is attached hereto  
as **Exhibit 18**.

27       <sup>35</sup> Plaintiff was portrayed in a negative light in a recent investigative article on DMG's wrongdoings  
in Tencent's QQ publication. *DMG India Media's 40 billion market value evaporation: major*  
28 *shareholders crazy cash*, QQ.com (Oct. 24, 2018), [https://mp.weixin.qq.com/s/YGLC-KWsi45HMhUTGNbKyg](https://mp.weixin.qq.com/s/YGLCKWsi45HMhUTGNbKyg).

IV.

## **CAUSES OF ACTION**

## **FIRST CAUSE OF ACTION**

## **BREACH OF CONTRACT**

(Against All Defendants)

101. Plaintiff incorporates by this reference Paragraphs 1 through 100 of this Complaint as though fully set forth herein.

102. The Employment Agreement, which was drafted by DMG's general counsel, constitutes a binding written contract between Plaintiff and Defendants.

103. Under the terms of the Employment Agreement, Defendants promised that Plaintiff “shall be taken care of nicely” in the event of an initial public offering of DMG.” The Employment Agreement additionally provides that Plaintiff “shall be paid bonuses for his contributions to DMG....”

104. The Founders, on numerous occasions, reaffirmed that Plaintiff was entitled to his contractual bonuses based on his performance as well as the successful launch of DMG's IPO.

105. Plaintiff has performed all of the terms, conditions and covenants required of him under the Employment Agreement, except as excused, prevented or waived as a result of Defendants' conduct and material breach of such agreement.

106. Defendants have materially breached the Employment Agreement by failing to compensate Plaintiff after the IPO, and failing to compensate Plaintiff in the form of performance bonuses, despite demand therefor.

107. As a direct and proximate cause of Defendants' actions, Plaintiff has suffered general, consequential, and incidental damages in an amount to be proven at trial, but which Plaintiff believes are in excess of \$30 million dollars.

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## **SECOND CAUSE OF ACTION**

## **BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING**

(Against All Defendants)

108. Plaintiff incorporates by reference paragraphs 1 to 100 of this Complaint into this section as though fully set forth herein.

109. Plaintiff and Defendants entered into an Employment Agreement.

110. Within every employment contract is an implied covenant of good faith and fair dealing. See *Foley v. Interactive Data Corp.*, 47 Cal.3d 654 (1988); *Guz v. Bechtel Nat. Inc.*, 24 Cal. 4th 317 (2000).

111. The Employment Agreement, which was drafted by DMG's general counsel, constitutes a binding written contract between Plaintiff and Defendants.

112. Under the terms of the Employment Agreement, Defendants promised that Plaintiff “shall be taken care of nicely” in the event of an initial public offering of DMG.” The Employment Agreement additionally provides that Plaintiff “shall be paid bonuses for his contributions to DMG....”

113. The Founders, on numerous occasions, reaffirmed that Plaintiff was entitled to his contractual bonuses based on his performance as well as the successful launch of DMG's IPO.

114. Plaintiff has performed all of the terms, conditions and covenants required of him under the Employment Agreement, except as excused, prevented or waived as a result of Defendants' conduct and material breach of such agreement.

115. Defendants unfairly interfered with Plaintiff's right to receive the benefits of the Employment Agreement by refusing to pay Plaintiff his bonus following the successful launch of the DMG IPO, and failing to compensate Plaintiff in the form of performance bonuses. Instead, Defendants spent all of DMG's assets frivolously and/or leveraged its assets against substantial loans, which ultimately led to the crash of DMG's stock price.

116. As a direct and proximate cause of Defendants' actions, Plaintiff has suffered general, consequential, and incidental damages in an amount to be proven at trial, but which Plaintiff believes are in excess of \$30 million dollars.

### **THIRD CAUSE OF ACTION**

## **PROMISSORY ESTOPPEL**

(Against All Defendants)

117. Plaintiff incorporates by this reference Paragraphs 1 through 100 of this Complaint as though fully set forth herein.

118. Defendants repeatedly represented and promised to Plaintiff that he would be compensated “nicely” after the IPO and he would be “rich” like the Founders. The Employment Agreement provides that Plaintiff “shall be taken care of nicely’ in the event of an initial public offering of DMG.” The Employment Agreement additionally provides that Plaintiff “shall be paid bonuses for his contributions to DMG....” Such promises were subsequently reflected in oral and written statements to Plaintiff and his wife.

119. In reasonable and foreseeable reliance on Defendants' promises and conduct, Plaintiff entered into the Employment Agreement, began working full-time for DMG and continued to do so throughout the term of the Employment Agreement.

120. Defendants' promises to pay performance bonuses and take care of Plaintiff "nicely" in the event of a DMG IPO were a material inducement for Plaintiff to enter into the Employment Agreement and to work full-time for DMG throughout the term of the Employment Agreement. Plaintiff's reliance upon Defendants' promises was foreseeable and reasonable.

121. As alleged hereinabove, Defendants have reneged on their promises to compensate Plaintiff in connection with the IPO and in accordance with Plaintiff's performance.

122. Defendants are therefore estopped from denying their obligations to compensate Plaintiff in connection with the IPO and in the form of performance bonuses. It is necessary to enforce DMG's promises as alleged hereinabove to avoid injustice to Plaintiff.

123. As a direct and proximate cause of Defendants' actions, Plaintiff has suffered general, consequential, and incidental damages in an amount to be proven at trial, but which Plaintiff believes are in excess of \$30 million dollars.

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## **FOURTH CAUSE OF ACTION**

## PROMISSORY FRAUD

(Against All Defendants)

124. Plaintiff incorporates by this reference Paragraphs 1 through 100 of this Complaint as though fully set forth herein.

125. As alleged hereinabove, the promises Defendants made to Plaintiff, including those made in the Employment Agreement and thereafter, were communicated to Plaintiff by the Founders. The promises were made: orally by Mintz to Fenton beginning in July 2012 and continuing until November 2013; in writing in various drafts of the Employment Agreement in November 2013 and in the final version of the Employment Agreement dated November 18, 2013; in a letter by Mintz on October 22, 2014; orally by Xiao on a flight to Las Vegas on or about May 2, 2015; and orally by Wu on or about July 12-13, 2015, January 30, 2016, April 23, 2016 and January 18, 2017.

126. Plaintiff is informed and believes that at the time Defendants made the above alleged promises to Plaintiff and entered into the Employment Agreement, such promises were falsely made in that Defendants did not intend to fulfill the promises made to Plaintiff.

127. Plaintiff is also informed and believes that such false promises by Defendants were made with the intent to induce Plaintiff to enter into the Employment Agreement, begin working full-time for DMG and to continue to work full-time for DMG throughout the term of the Employment Agreement.

128. As alleged hereinabove, in reliance on Defendants' promises, Plaintiff entered into the Employment Agreement, began working full-time for DMG and continued to do so until DMG terminated Plaintiff's employment in February of 2018.

129. At the time Plaintiff took such actions, he was ignorant of the falsity of Defendants' promises, and, in the exercise of reasonable diligence, could not have discovered its secret intentions. Had Plaintiff known such intentions, he would not have taken the actions alleged hereinabove.

130. Defendants failed to abide by their promises as alleged hereinabove.

131. As a direct and proximate result of the foregoing acts of Defendants, and Plaintiff's reliance thereon, Plaintiff has suffered general, consequential, and incidental damages in an amount to be proven at trial, but which Plaintiff believes are in excess of \$30 million dollars.

1       132. The aforementioned acts of Defendants were willful, wanton, malicious, and  
2 oppressive, and were undertaken with the intent to defraud Plaintiff of the compensation promised  
3 to him under the Employment Agreement, and thereafter. As a result of Defendants' willful and  
4 intentionally fraudulent conduct, Plaintiff is entitled to exemplary and punitive damages in an amount  
5 sufficient to make an example of and punish Defendants for their wrongful acts.

**FIFTH CAUSE OF ACTION  
CONSTRUCTIVE DISCHARGE**

(Against DMG ENTERTAINMENT, LLC; DMG ENTERTAINMENT HOLDING, LLC; DMG MANAGEMENT SERVICES, INC.; NEW ASIA SUCCESS PARTNERS LIMITED; and HEALTHY SOAR INVESTMENT LIMITED)

11       133. Plaintiff incorporates by this reference Paragraphs 1 through 100 of this Complaint as  
12 though fully set forth herein.

13       134. Plaintiff was employed by DMG, pursuant to the terms of the Employment  
14 Agreement.

15       135. Plaintiff was subjected to working conditions that violate public policy, in that violate  
16 public policy. In particular, Plaintiff was employed to serve as President of DMG's Entertainment  
17 Motion Picture Group, and the General Manager of DMG North America. However, Defendants  
18 wanted to avoid compensating Plaintiff according to the terms of his Employment Agreement, and  
19 were actively concealing business activities from Plaintiff in such a manner that it impacted not only  
20 his ability to substantially perform his role, but also impacted his reputation as a critical participant  
21 in the relationship between U.S. and Chinese film industries.

22        136. Defendants intentionally created and/or knowingly permitted Plaintiff to endure  
23 working conditions whereby Plaintiff constantly had to cover for the Founders' activities, subject  
24 himself to Mintz's unreasonable working demands, risk his long-standing reputation and credibility  
25 in the industry, and continue working at a high level with no knowledge of whether or not he would  
be compensated as promised in the form of an IPO bonus or performance bonus.

27 137. These working conditions were so intolerable that a reasonable person acting in Plaintiff's position would have had no reasonable alternative except to resign.

138. Plaintiff was forced by Defendants to terminate his employment for reasons that violate public policy, and did in fact resign on or about February 2018.

139. Defendants' refusal to honor the Employment Agreement, in addition to the ongoing practice of concealing DMG activities that made it impracticable for Plaintiff to perform his duties, were a substantial factor in causing Plaintiff's harm.

140. As a direct and proximate result of the foregoing acts of Defendants, and Plaintiff's reliance thereon, Plaintiff has suffered general, consequential, and incidental damages in an amount to be proven at trial, but which Plaintiff believes are not less than \$30 million dollars.

## **SIXTH CAUSE OF ACTION**

**RETALIATION IN VIOLATION OF CALIFORNIA LABOR CODE § 1102.5**

(Against DMG ENTERTAINMENT, LLC; DMG ENTERTAINMENT HOLDING, LLC; DMG MANAGEMENT SERVICES, INC.; NEW ASIA SUCCESS PARTNERS LIMITED; HEALTHY SOAR INVESTMENT LIMITED; and DAN MINTZ)

141. Plaintiff incorporates by this reference Paragraphs 1 through 100 of this Complaint as though fully set forth herein.

142. *California Labor Code* § 1102.5 (a) provides that “An employer shall not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation or noncompliance with a state or federal rule or regulation.”

143. *Labor Code* § 1102.5 (b) provided that “An employer . . . shall not retaliate against an employer for disclosing information, or because the employer believes that the employer disclosed or may disclose information, to a government or law enforcement agency, to a person with authority over the employee or another employee who has the authority to investigate, discover, or correct the violation of noncompliance . . . if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee’s job duties.”

144. *Labor Code* § 1102.5 (c) provides that “An employer shall not retaliate against an employee for refusing to participate in an activity that would result in a violation of state or federal statute, or a violation or noncompliance with a state or federal statute.” *Labor Code* § 1102.5 (a)-(c) embodies important public policies against anti-whistleblower policies and retaliatory conduct.

145. *Labor Code* § 1104 provides that “[i]n all prosecutions . . . the employer is responsible for the acts of his managers, officers, agents, and employees.”

146. Upon information and belief, Defendants believed that Plaintiff had disclosed to a person with authority over Plaintiff that Defendants were performing reckless and questionable business practices that Plaintiff reasonably believed were violations of a state or federal statute. In particular, Plaintiff informed Mintz and other executives that Defendants' actions might run afoul of SEC regulations.

147. As a result of Plaintiff's actions, Defendants stripped Plaintiff of his involvement on the board of Valiant, and ultimately forced Plaintiff to resign. Defendants' actions violate *Labor Code* § 1102.5 (a)-(c) as well as the public policy embodied by the statute.

148. As a direct and proximate result of the foregoing acts of Defendants, and Plaintiff's reliance thereon, Plaintiff has suffered general, consequential, and incidental damages in an amount to be proven at trial, but which Plaintiff believes are not less than \$30 million dollars.

## **SEVENTH CAUSE OF ACTION:**

## **UNFAIR BUSINESS PRACTICES (CA BUS. & PROF. CODE §17200, et seq.)**

(Against All Defendants)

149. Plaintiff incorporates by this reference Paragraphs 1 through 100 and Paragraphs 117 through 132 of this Complaint as though fully set forth herein.

150. The acts of Defendants that are laid out and alleged herein constitute unlawful, unfair, and/or fraudulent business practices and are unfair and wrongful conduct that is prohibited by California Business and Professions Code §17200, *et seq.*

151. Defendants engaged in unlawful, unfair, and/or fraudulent business practices, including but not limited to: promissory fraud and promissory estoppel.

152. Defendants did not engage in the above-described misconduct out of any sincere or

proper motive; rather, said misconduct was knowing, willful, and oppressive in that Defendants made specific promises to Plaintiff regarding his compensation, upon which Plaintiff justifiably relied to agree to the employ of DMG, and all the while Defendants had no intention to fulfill those promises to Plaintiff.

153. As a direct and proximate result of the foregoing acts of Defendants, and Plaintiff's reliance thereon, Plaintiff has suffered general, consequential, and incidental damages in an amount to be proven at trial, but which Plaintiff believes are not less than \$30 million dollars.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiff CHRISTOPHER FENTON prays for judgment as follows:

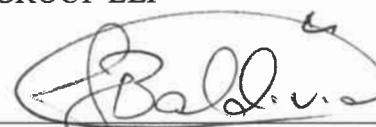
1. For damages according to proof at trial, but not less than \$30 million;
2. For punitive damages according to proof at trial;
3. For civil penalties pursuant to Labor Code § 1102.5(f) in an amount not less than \$10,000;
4. For interest at the legal rate;
5. For costs of suit incurred herein;
6. Reasonable attorneys' fees pursuant to California Civil Procedure § 1021.5; and
7. For such other and further relief as the Court deems just and proper.

DATED: February 22, 2019

PIERCE LAW GROUP LLP

By:

David Albert Pierce, Esq.  
John R. Baldivia, Esq.  
Dhara J. Patel, Esq.  
Attorneys for Plaintiff  
CHRISTOPHER FENTON



1  
**DEMAND FOR JURY TRIAL**

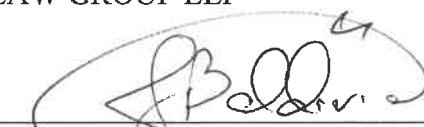
2 Plaintiff CHRISTOPHER FENTON hereby demands a trial by jury.

3  
4 DATED: February 22, 2019

5 PIERCE LAW GROUP LLP

6 By:

7 David ~~Albert~~ Pierce, Esq.  
John R. Baldivia, Esq.  
Dhara J. Patel, Esq.  
8 Attorneys for Plaintiff  
CHRISTOPHER FENTON



# **EXHIBIT 1**

**EXHIBIT 1**

# PACESETTER INTERNATIONAL INC.

+ (/385534-pacesetter-international-inc?  
number=385534&do=up) 0 - (/385534-  
pacesetter-international-inc?  
number=385534&do=down)

Business company **PACESETTER INTERNATIONAL INC.** is a legal entity registered under the law of State Nevada. Company is located in the register with the Company number **C19623-2000** and with the national number of State Nevada **NV20001365892**. This legal entity was firstly registered on 20th July 2000 under the legal form of Domestic Corporation. Its registered agent is **CORPORATE ASSETS PROTECTION GROUP** with the seat at **3305 W SPRING MOUNTAIN RD #60-24, LAS VEGAS, 89102, NV** licensed as Noncommercial Registered Agent. Current company's status is **Permanently Revoked**.

## Company information

Company name	PACESETTER INTERNATIONAL INC.
Status	Permanently Revoked

<b>Company number</b>	C19623-2000
<b>NV Business ID</b>	NV20001365892
<b>Company type</b>	Domestic Corporation
<b>Home state</b>	NV
<b>Incorporation Date</b>	20th July 2000
<b>List of Officers Due</b>	31st July 2002

## Registered Agent

<b>Name</b>	CORPORATE ASSETS PROTECTION GROUP (/agent/105730-corporate-assets-protection-group)
<b>Address</b>	3305 W SPRING MOUNTAIN RD #60-24
<b>City</b>	LAS VEGAS
<b>State</b>	NV
<b>Zip</b>	89102
<b>Agent Type</b>	Noncommercial Registered Agent

The company PACESETTER INTERNATIONAL INC. is managed by 6 persons in total. The persons responsible for business activities are DANIEL MINTZ with the seat at 3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV as President , DANIEL MINTZ with the seat at 3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV as Secretary , DANIEL MINTZ with the seat at 3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV as Treasurer , DANIEL MINTZ with the seat at 3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV as President , DANIEL MINTZ with the

seat at 3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV as Secretary , DANIEL MINTZ with the seat at 3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV as Treasurer .

## President

Name	DANIEL MINTZ (/person/daniel-mintz)
Address	3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV

## Secretary

Name	DANIEL MINTZ (/person/daniel-mintz)
Address	3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV

## Treasurer

Name	DANIEL MINTZ (/person/daniel-mintz)
Address	3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV

## President

Name	DANIEL MINTZ (/person/daniel-mintz)
Address	3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV

## Secretary

Name	DANIEL MINTZ (/person/daniel-mintz)
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<b>Address</b>	3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV
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## Treasurer

<b>Name</b>	DANIEL MINTZ (/person/daniel-mintz)
<b>Address</b>	3305 W SPRING MOUNTAIN RD, SUITE 60-24, LAS VEGAS, 89102, NV

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## **EXHIBIT 2**

**EXHIBIT 2**

# THE MINTZ DYNASTY

DAN MINTZ  
LANDED IN  
BEIJING  
WITHOUT A COLLEGE DEGREE,  
**A JOB,**  
OR A WORD OF  
**MANDARIN.**  
NOW HE HEADS UP THE  
**HOTTEST**  
ADVERTISING SHOP  
IN THE COUNTRY.

**HOW ONE MAN  
CRACKED  
THE CHINESE  
MARKET**  
(BY REALLY, REALLY TRYING).

BY JAMIE BRYAN

PHOTOGRAPHY BY PETER RAD



Mintz arranges a special military police unit during a faux film shoot inside the Forbidden City in Beijing. The Golden River Bridges are in the background.





In the village of Zhouzhuang, about 50 miles outside of Shanghai, Mintz helps a local woman ashore from the He Dao river.

Like many people, Dan Mintz takes the time to meet his business associates at the airport; unlike most, he does it in a chauffeured Mercedes S600, escorted by a Shanghai police car. The Benz pulls right to the belly of the 747 inching its way to the gate, and the Staten Islander emerges into the brisk evening air—a bundle of affable, regular-guy energy in black pants, a sweater, and sneakers—and bounds up a stairway specially positioned so that he can intercept his colleague, Chris Fenton, before he gets siphoned off down the jetway and into an interminable customs line. As the pair emerges, joking, from the plane, nine Chinese military police officers stand at solemn attention along the path to the waiting car. Fenton sinks gratefully into the backseat while Mintz, the founder and head of Digital Media Group, one of China's fastest-rising advertising agencies, dispatches an employee with Fenton's passport to claim his luggage and handle customs. "We don't wait on lines here,"

#### Mintz explains with a smile.

It is an impressive red-carpet show by any standard, but as *guanxi* goes, this particular display has become standard procedure for Mintz. Translated literally, *guanxi* (pronounced gwan-she) means "relationship building"; in practice, it means carefully cultivated clout, a culturally calibrated measure of respect, influence, and honor. It is a personal as well as political form of capital, and Mintz—who moved here a dozen years ago as a freelance commercial director with no contacts, no advertising experience, and no Mandarin—insists it's the key to navigating the country's booming business world and the corridors of government power that feed into it.

"Basically, China either works for you or against you," he says. "The risks are high, but so is the payoff. Here, now, it is the good old days."

#### A ROLL OF THE DICE

>> IT CERTAINLY LOOKS THAT WAY: Billings in the Chinese ad business, which came in at an estimated \$10.4 billion last year, are expected to hit \$14 billion for 2007, and the country is likely to become the world's

second-largest media market by 2014. In fact, China will be the world's second-largest economy by 2020, built around a middle class set to grow from 110 million people today to more than 150 million; GDP should quadruple by that year, to \$4 trillion. What's more, explains Normandy Madden, editor of AdAgeChina.com, "China's ad industry is now really opening up to independent shops because foreigners no longer need a local partner to get a license to operate."

But these good old days were a long time coming. When Mintz arrived in Beijing back in 1990 to scout locations for a TV commercial, there was no gleaming *Blade Runner*-esque skyline. The city was low-slung and dingy; infrastructure was grim; you couldn't even rent a car. That all-consuming Chinese middle class was a faint and distant hope. And the recent unpleasantness at Tiananmen Square meant that the only military escort offered to a white guy with a camera was the kind that ended in a cold, dank cell.

Still, Mintz, who's now 41, couldn't get enough of the place. For a few years, he shuttled between New York and Beijing, feeling his way. But China simply wasn't

# WHEN MINTZ ARRIVED IN BEIJING TO SCOUT LOCATIONS FOR A TV COMMERCIAL, THERE WAS NO GLEAMING BLADE RUNNER-ESQUE SKYLINE. THE CITY WAS LOW-SLUNG AND DINGY; INFRASTRUCTURE WAS GRIM; YOU COULDN'T EVEN RENT A CAR. AND THAT ALL-CONSUMING CHINESE MIDDLE CLASS WAS A FAINT AND DISTANT HOPE.

"the kind of place you could freelance in," he realized, so in 1993 he made the move for real. With a few thousand dollars and help from a local producer who eventually became his partner in DMG, Mintz set up shop in a Beijing apartment complex reserved for Westerners.

At a time when American businesses were scarce in China, Mintz's move was a bold one. (Asked how he screwed up the courage, he confesses with a chuckle, "I'm friggin' nuts!") But with few locals able to compete with his American-made production skills, he was soon creating spots for Budweiser, Unilever, Sony, Nabisco, Audi, and Kraft, plus scores of Chinese brands. Before long, his crew had moved into a two-story loft-style office and production studio (their new 30,000-square-foot digs in Beijing occupy the top two floors and roof deck of a modern high-rise) and expanded DMG's presence in Shanghai, the country's business hub (where its offices feature a three-story-high entryway, two-story waterfall, sunken fish tank, exterior deck with a pond and bridge, and Mintz's red Porsche 911 Turbo parked on the sidewalk).

DMG's breakout moment, however, came when it won a full-scale Volkswagen brand campaign in 2004, the same year China became the German automaker's second-largest market. Initially, Mintz wasn't even supposed to make a pitch for the job—the VW brass gave him a shot as polite acknowledgment of the work DMG had done on their TV spots—but when he did, his years of immersion paid off. Instead of mechanically translating Volkswagen's then-slogan ("For the love of automobiles") into Chinese, Mintz's campaign tapped into ideas indigenous to the country. He based it on the traditional Chinese character for "heart," which is also found at the center of the traditional characters for words such as "loyalty," "wis-

dom," "ambition"—a host of virtues Mintz wanted to associate with various VW models. To create a suitably stirring soundtrack for the ads, Fenton, from his home base in Los Angeles, had secured the rights to "I Will Come to You," a Hanson ballad that goes straight for tear ducts (and eventually became a huge hit and a staple at Chinese weddings).

Volkswagen was bowled over. But there was a hitch: As part of the Cultural Revolution, Chairman Mao had done away with traditional Chinese characters in favor of simplified versions; meanwhile, Taiwan, its perpetual enemy, had kept the ancient ideograms. To publish something with traditional characters in China has, for years, been deemed an act of treason.

As Mintz puts it, "They shoot you for s-t like that out here." But the simplified characters do not feature the "heart" character in the middle.

It was one of those moments where a business either takes a great leap forward or falls to its knees. An old China hand by now, however, Mintz was ready—and he wasn't alone. Back in his early directing days in Beijing, he'd befriended Bing Wu, a young producer on the

small commercial film and video scene, and Peter Xiao, a finance whiz. Now partners in Mintz's company, both bring significant leverage to the table. In Bing's case, having grown up in China's elite Olympic sports program (literally—she was removed from her family as a small child to train) translated into both prestige and access for the former national gymnastics champion. Much of her time now is devoted to overseeing DMG's work on the 2008 Olympics in Beijing.

"Peter," on the other hand, "is basically government and military," Mintz says. "He plays at the highest level of relationships." So when, for example, the American athletic marketing giant IMG tapped DMG to bring the World's Strongest Man Competition to China, it was Xiao who negotiated with the leadership of various Chinese cities to secure the best deal for the event. (It ended up in Chengdu and was broadcast to 40 million viewers.) "He's a financial guy," Mintz continues. "He deals with money, he deals with banks, and things like that, but his family is military. And not," he adds pointedly, "staff sergeants."

Having won over VW with his "heart" idea, Mintz now had to win over the Chinese, and he, Bing, and Xiao soon found themselves in the Great Hall of the People in Beijing, lobbying the Politburo; the Ministry of Radio, Film, and Television; the Ministry of Propaganda, and numerous other officials. Their appeal turned on a technicality: The old characters should be thought of not as characters, they suggested, but as "pieces of art." Amazingly, it worked. The campaign went forward and VW and DMG's relationship was cemented.

Even Mintz acknowledges that he didn't triumph that day on the strength of his presentation. "I believe in meetings being mostly formalities," he explains. "You don't walk in with these people cold." In other words,

# "WHY WOULD YOU THINK PEOPLE IN GOVERNMENT HERE ALL THINK THE SAME WHEN THERE'S NOWHERE ELSE IN THE WORLD WHERE THAT'S THE CASE?" MINTZ ASKS. "IT'S LIKE THINKING EVERY CHINESE GUY KNOWS KUNG FU."

he took great care to know how his petition would be received before he even entered the Great Hall. Most Westerners, he says, "come in with these preconceptions that everyone in China gets along and whitey is the enemy. But why would you think people in government here all think the same when there's nowhere else in the world where that's the case? It's like thinking every Chinese guy knows kung fu."

Mintz's coup was to find a way to serve everyone's discrete interests—or at least seem to. "And that's not a small accomplishment," he stresses. "This isn't a little town up in the middle of nowhere. This is a national campaign that's shown on government-run TV. The highest level of credibility you can achieve in advertising in China is to pull off something big in television because, with the greatest amount of eyes and regulation, it's the most sensitive medium." (Just ask Nike and LeBron James, who saw a multimillion-dollar campaign yanked by the government after the hoops star crushed a number of culturally revered Chinese figures in a kung fu-themed TV spot. Nike eventually released a formal apology.)

"The government is perceived to be business friendly," says Hong Liang, chief China economist for Goldman Sachs. But the "rules and regulations can be a nightmare" and implementation "quite discretionary." This is in no small part, she points out, because the government is not simply a market regulator but a player in it as well. Knowing what each individual is playing for, then, becomes a key strategic asset.

## RIDING THE DRAGON

>> TOWARD THE END OF FENTON'S TRIP, he has come north to Beijing before returning home to L.A., where he's not only DMG's general manager for North America but also has his own Hollywood management

company. (Fenton was Mintz's agent at William Morris back in the early days.) Xiao and Bing have helped to arrange a farewell dinner, hosted by a general who heads China's weapons and space program. Mintz is, appropriately enough, piloting a black VW Touareg along the Avenue of Heavenly Peace (his driving philosophy in China: "You gotta look the other way and play chicken, man") and past the Great Hall of the People.

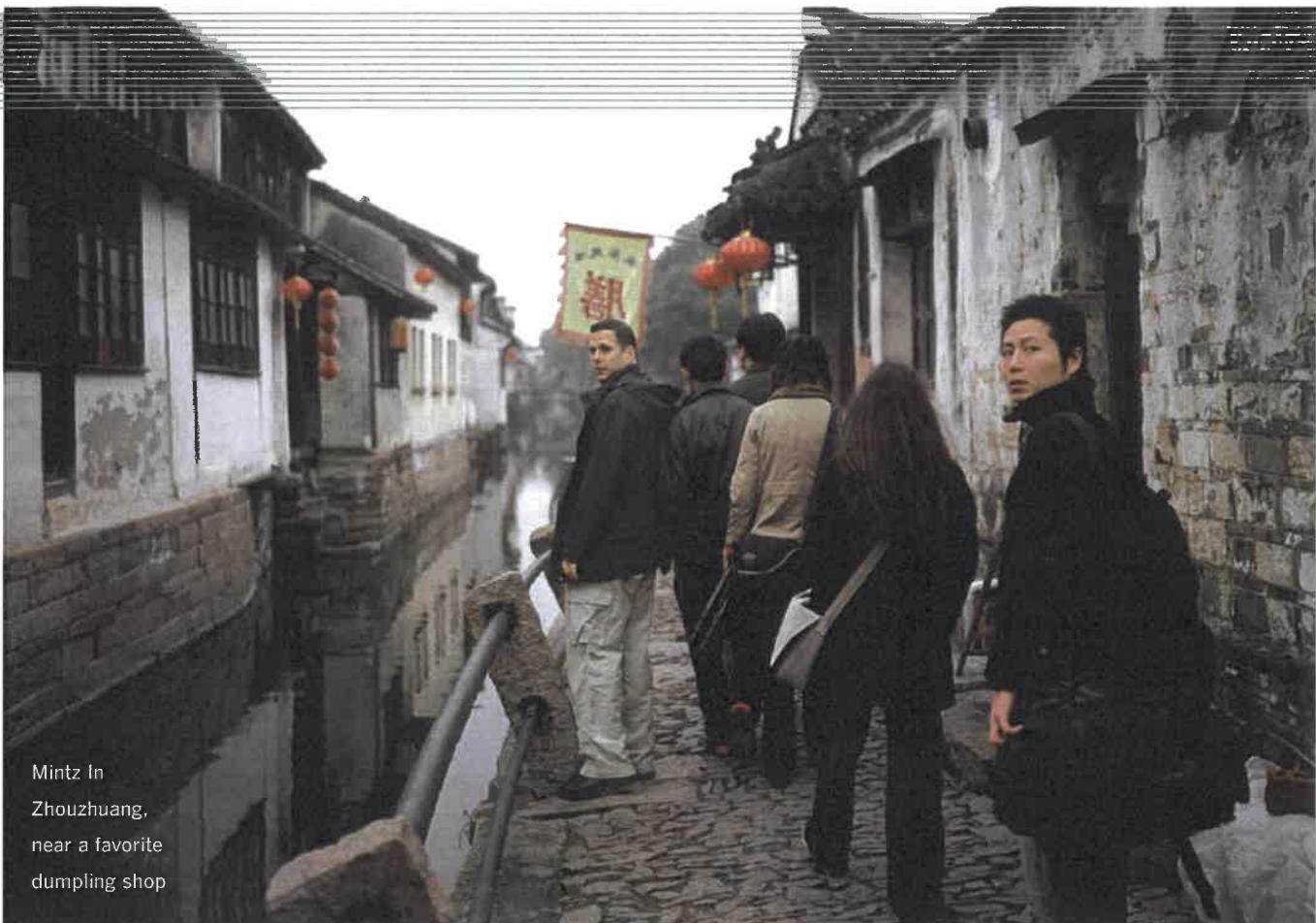
"Location, location, location," he says, downshifting near a row of traditional single-story buildings outside the Forbidden City. It is here, on the perimeter of the imperial compound, "where all the decisions for China are made, hands down." Mintz draws an analogy to the Yangtze River, which trickles down from a single point in the Dangla mountains. "China is controlled from just a few rooms," he says. "It's completely planned."

The general's dinner takes place in his office/residence on the moat surrounding the Forbidden City. A model-beautiful young woman serenades guests with a traditional zither; museum-quality antiques

and furnishings fill every room, most of which look onto the ancient walls. Cordial and unassuming in a dark business suit, the general gives a casual tour of his office, pointing out a candid photo of himself with a smiling Henry Kissinger. Dinner is one lavish dish after another, served in the center of the table; there's fresh crab, flown in earlier that day at the general's request. Mintz translates as the general proudly relays that his son attended Oxford: "Bill Clinton," the general adds, encouragingly, confident that even an American guest will recognize at least one Rhodes Scholar.

Perhaps the key to Mintz's success is that he didn't import an American business so much as grow a Chinese one. Nearly every employee in DMG's offices is mainland Chinese; the culture and creative approach are also distinctly local. Even Mintz himself, unmistakably a New Yorker in so many respects, seems to have undergone a transformation over the years: Kenneth Hartmann, a German executive formerly with FAW-Volkswagen and now working for the North American division, relays that a Chinese colleague admiringly called Mintz "one of the most Chinese Americans he had ever met."

"The whole Chinese system works on the fact that you're here for the long term," Mintz insists. "China has become a modern country, but we're still talking about 5,000 years of history. It's not like they go around quoting Confucius every five minutes, but the Chinese inherently think in terms of building a strong power base for the future, because if you crumble under the pressure of China, they will have helped you for nothing. So they've got to know two things: 1) that you understand how to build relationships in China, because it's done very differently than back home, and 2) that you have the juice, the strength, the



Mintz in  
Zhouzhuang,  
near a favorite  
dumpling shop

contacts, and the understanding to be able to withstand the test of time."

In a telling sign of China's commercial evolution, Mintz then adds that even guanxi is no longer sufficient in an economy this competitive and complex. "The true combination for success in China is guanxi and what they call *shili*," he says. "*Shili* is the ability to actually do good work. And that's the difference between now and the old China. Back in the day, it was all about guanxi, and they didn't care about anything as long as you had the connections. Well, China is not like that anymore. You need to have both."

#### BRAND EXTENSION

>> JUDGING BY THE WAY Mintz's little company has grown, he does, in fact, have both. As a private company dealing in many capacities with the Chinese government, DMG is rather touchy about disclosing profits, but Mintz himself puts its annual revenue growth at 50%-plus since 2001. The company is now handling VW's Olympic sponsorship (estimated cost: \$200 million) as well as that of China Mobile, the country's leading wireless company. It's even doing work for the Beijing Olympic Com-

mittee itself. And over the course of 2005, DMG won new accounts with the likes of Johnson & Johnson, Audi, and Nike. (In getting the Nike account, DMG even took a chunk of business from none other than Wieden+Kennedy, Phil Knight's longtime ad stalwart.) Total DMG billings for 2005 probably reached or exceeded \$100 million, says Mintz, and look set to rise significantly in 2006.

Now the brand Mintz most wants to build is his own. In addition to creating DMG, he somehow found time over the years to direct two low-budget feature films: *Cookers*, a supernatural thriller about crystal-meth dealers, which nabbed Best Film and Best Director at the 2002 Milan Film Festival, and another thriller called *American Crime*, starring Annabella Sciorra and Rachael Leigh Cook. Neither would probably have happened via the traditional script-shopping route; instead, Mintz lined up a Chinese backer, which intrigued the Hollywood suits who are hungrily eyeing a country with more teenagers than America has people. Through Fenton, Miramax and Fox have both hired Mintz to consult on production challenges in China. Even *Variety* chief Peter Bart has

visited DMG in Shanghai.

"Let's put it this way," says a top CAA agent, "the Chinese market is driven by relationships, and the relationships that Dan and his firm don't have are probably the only ones you don't need."

After the general's dinner, Fenton and Mintz are standing just outside the Forbidden City when a police car pulls up and drives them into the massive inner courtyard framing the fabled Jin Shui Qiao, or Golden River Bridges. This is a special accommodation Mintz has arranged only once before, and as the cops patiently stand by, the pair steps out for a brief walking tour, with Mintz explaining the significance of various ornate monuments looming against the clear night sky. The buildings' scale alone is breathtaking, and Mintz reveals himself as a reverent if self-taught student of the history around him.

"This," he whispers, "is as close as anyone can get to feeling what it was like to be the emperor." ■

Jamie Bryan is a freelance writer living in New York. His work has appeared in Details, Premiere, and on MTV.

# **EXHIBIT 3**

**EXHIBIT 3**



MEDIA

# In China, Foreign Films Meet a Powerful Gatekeeper

By MICHAEL CIEPLY and DAVID BARBOZA APRIL 29, 2012

LOS ANGELES — Any foreign movie knocking on China's door must pass through powerful gatekeepers — the China Film Group and its chief executive, Han Sanping.

The China Film Group functions as the Chinese government's guardian of a film market that recently shot past Japan's to become the world's second-largest in box-office receipts behind the United States. On a broad array of business dealings — censorship, distribution and co-productions, among others — it is the conduit for foreign moviemakers hoping to make or distribute films in China.

But Mr. Han and his group are also supervising a trade route that is suddenly under close watch by regulators in Washington, after reports last week that officials in the United States are examining whether American film companies have violated domestic law by making illegal payments to officials in China.

In March, the Securities and Exchange Commission wrote to major film companies and smaller competitors — including Walt Disney, 20th Century Fox and DreamWorks Animation — requesting information about their business practices in China, according to people with knowledge of the investigation, who spoke on condition of anonymity because the matter could end up in court.

The investigation was set off by a whistle-blower, one of the people said. It is not known specifically which American business dealings with China are under investigation, but this person said the Hollywood companies were told to freeze all files, e-mails and other data related to getting films made or distributed in China. Several people briefed on the letters described some aspects of them, but all spoke on condition of anonymity because of confidentiality strictures.

While the letters are said to include no specific reference to China Film, executives scrambling to comply with the request are preparing as if their dealings with the group are part of the inquiry because of its all-important role in getting films made in China, according to executives based in the United States and in China.

The S.E.C. inquiry, which would have direct legal consequences only for companies with an American presence, is certain to make Hollywood studios that do business in China even more wary of possible missteps.

It has also focused fresh attention on the official Chinese apparatus for making and distributing films, beginning with the State Administration of Radio Film and Television and extending to the China Film Group, a state-controlled entity without whose support a foreign film is not allowed to enter China.

“It’s the equivalent of Universal, Sony, the M.P.A.A. and Regal all tied up in one,” said an American producer who has done business extensively in China. His description compared the China Film Group to a pair of major studios, the Motion Picture Association of America trade group, and America’s largest theater chain, Regal Entertainment Group, but with the added authority of a government franchise.

In China film circles, Mr. Han’s name requires little explanation: He is called “Master Han” or “the godfather of the Chinese movie industry.”

He had a role in directing “The Founding of a Republic,” and “Beginning of the Great Revival,” a pair of patriotic Chinese epics about Mao and the founding of the Communist Party.

That role comes atop producing credits on more than four dozen movies, most of them Chinese, but at least two — “The Karate Kid,” from Sony Pictures

Entertainment, and “Mission: Impossible III” — that were made by Hollywood studios for global markets with involvement by the China Film Group.

In person, Mr. Han, who speaks little or no English, can nevertheless come across as an almost stereotypical Hollywood producer, an acquaintance said. He is demonstrative and colorfully expressive when speaking, and appears eager to befriend and be seen with Western movie stars, the acquaintance said.

Spokesmen for Sony and Paramount declined to discuss the dealings by their companies with Mr. Han. One person briefed on “The Karate Kid,” which was released in 2010, said the China Film Group was entitled to designate an executive producer in return for its financial contribution to the film — about \$5 million of a \$40 million budget — and chose Mr. Han in his role as chief of the film group. Spokesmen for all of the major studios and DreamWorks Animation declined to discuss the current investigation, or did not respond to queries.

In a telephone interview Saturday, Mr. Han said he was unaware of the S.E.C. investigation. Asked whether he had ever seen evidence of improper payments involving American companies, he said through a translator: “How would I know about this? I don’t even have a clue.”

Separately, Yuan Wenqiang, the general manager of the China Film Group’s import-export unit, said the group nature of film distribution decisions in China left “little room” for bribery.

Mr. Han said his group assisted in the filming of “Mission: Impossible III” in China, but did not back it as a co-production. “My work is not only going through the administrative process, but also a substantial amount of groundwork to make sure the shooting could go smoothly inside China,” he said. “As the president of C.F.G., I have this responsibility.”

It was not so long ago that film in China was a medium largely for propaganda. But in recent years moviemaking has opened up to outside influence, and now includes what for China are newer genres like romantic comedy.

As China's central planners try to steer the economy toward consumerism from manufacturing, they are trying to double the share contributed to the economy by filmed entertainment and other media in the next five years. Movies are seen as an essential component of Beijing's plan to drive consumer spending into the nation's vast interior.

Hollywood has been keen to further expand in this growing market. In February, high level discussions between the United States and China produced an agreement granting American studios the right to release more films each year in China, and to keep a greater percentage of the box-office revenue. DreamWorks Animation is building a studio in Shanghai, and Disney's Marvel Entertainment unit plans to shoot part of "Iron Man 3" in China with financing from Beijing-based DMG Entertainment. But many in the entertainment industry in China say American media executives know the difference between entertaining officials and bribing them.

Stephen L. Saltzman, an entertainment law specialist in Los Angeles for Loeb & Loeb, said he had not seen evidence of corruption in his experience with the Chinese-related films. "I have in all of my dealings not encountered anything," said Mr. Saltzman, who spoke by telephone last week. "These are very sophisticated companies who understand the rules."

Film executives around the world have long understood the authority invested in the China Film Group. In an unusually detailed assessment of the Chinese film market last year, the Italian Trade Commission — relying on interviews and industry databases to make sense of a poorly understood and rapidly changing system — found the group at virtually every point of entry for a foreign movie. Only the Huaxia Film Group and the China Film Distribution Company were authorized to distribute imported films, the commission reported.

(Mr. Han said Huaxia operates separately; the Italian report described Huaxia as being owned by a group of companies that includes the China Film Group. Huaxia and the China Film Group sometime subcontract distribution to others, it said.)

Co-productions with Chinese companies by foreign producers are subject to the authorization of the China Film Co-Production Company, a China Film Group unit,

the report said.

Submission to the Chinese censors, who typically spend 15 to 30 business days reviewing a film and sometimes demand changes, again runs through the film group. Several of the largest theater chains, the commission found, were at least partly owned by the group.

On a visit to Los Angeles in March, about two weeks before the S.E.C. sent its letters, Mr. Han was received in a manner that matched his obvious power in China. He was widely reported to have visited with high executives at Sony, Universal and Disney, and to have paid a call on Bruce Willis, who is starring in a coming film, "Looper," that was shot partly in Shanghai, with backing from China. Mr. Han was accompanied by Dan Mintz, an American-born advertising executive based in China who is among the producers of "Looper."

Mr. Mintz, in a 2006 profile in the magazine Fast Company, was called a master of "guanxi," the Chinese art of using relationships and clout to navigate potential impediments. In April, Marvel announced that Mr. Mintz and his company, DMG Entertainment, would join in making "Iron Man 3" under a co-production deal that would help to cement its access to the Chinese market when the film is released in May 2013.

Mr. Mintz and spokesmen for Disney and Marvel declined to discuss details of their alliance.

### **Correction: May 1, 2012**

A reporting credit on Monday with an article about the film business in China misidentified the city from which Gu Huini contributed research. She was in Shanghai, not in Beijing.

Michael Cieply reported from Los Angeles, and David Barboza from Beijing. Reporting was contributed by Brooks Barnes from Los Angeles, Edward Wyatt from Washington, and Edward Wong and Jonathan Landreth from Beijing. Gu Huini contributed research from Shanghai.

A version of this article appears in print on April 30, 2012, on Page B1 of the New York edition with the headline: In China, Foreign Films Meet Powerful Gatekeeper.

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# **EXHIBIT 4**

**EXHIBIT 4**



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
LOS ANGELES REGIONAL OFFICE  
444 S. FLOWER STREET, SUITE 900  
LOS ANGELES, CALIFORNIA 90071

DIRECT DIAL: (323) 965-2627

September 2, 2015

**VIA E-MAIL and UPS**

Bethany Hengsbach, Esq.  
Shepard, Mullin, Richter & Hampton LLP  
333 South Hope Street, Forty-Third Floor  
Los Angeles, CA 90071  
[bhengsbach@sheppardmullin.com](mailto:bhengsbach@sheppardmullin.com)

Re: *In the Matter of Lions Gate Entertainment Corp. (LA-4214)*

Dear Ms. Hengsbach:

We have concluded the investigation as to DMG Media (“DMG”). Based on the information we have as of this date, we do not intend to recommend an enforcement action by the Commission against DMG. We are providing this notice under the guidelines set out in the final paragraph of Securities Act Release No. 5310, which states in part that the notice “must in no way be construed as indicating that the party has been exonerated or that no action may ultimately result from the staff’s investigation.” (The full text of Release No. 5310 can be found at: <http://www.sec.gov/divisions/enforce/wells-release.pdf>.)

Sincerely,



Alka Patel  
Assistant Director

# **EXHIBIT 5**

**EXHIBIT 5**

REDACTED

**Attachments:** [image001.png](#)  
[H2FSideLetter\(StageII\)2013-11.19doc.doc](#)  
[StockPurchaseAgreement\(Second\)2013-11.19.doc](#)

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REDACTED

REDACTED

In a message dated 11/18/2013 3:21:18 P.M. Pacific Standard Time, [fenton@h2f-entertainment.com](#) writes:

I can't chat now due to who is in my office, but please see below my thoughts in CAPS:

On Nov 14, 2013, at 8:59 PM, [CHAYOLAW@aol.com](#) wrote:

| |

From: Timothy.Shih@dmg-entertainment.com  
To: CHAYOLAW@aol.com  
Sent: 11/14/2013 8:51:54 P.M. Pacific Standard Time  
Subj: RE: SPA, etc.

Les, thanks for your comments. My responses are below:

Timothy Y. Shih (史耀先)  
General Counsel  
DMG Entertainment  
25th Floor, Tower A, CHAOWAIMEN, 26 Chaoyangmenwai  
Street  
Chaoyang District, 100020, Beijing China  
Mobile: +86 18601328700  
Email: [timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)

<image001.png>

Privileged/Confidential Information may be contained in this message. If you are not the addressee indicated in this message (or responsible for delivery of the message to such person), you may not copy or deliver this message to anyone. In such case, you should destroy this message and kindly notify the sender by reply email. Please advise immediately if you or your employer does not consent to email or messages of this kind. Opinions, conclusions and other information in this message that do not relate to the official business of the DMG Group shall be understood as neither given nor endorsed by it.

---

**From:** [CHAYOLAW@aol.com](mailto:CHAYOLAW@aol.com) [mailto:[CHAYOLAW@aol.com](mailto:CHAYOLAW@aol.com)]

**Sent:** Friday, November 15, 2013 12:25 PM

**To:** [timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)

**Subject:** SPA, etc.

Timothy

Chris forwarded to me as his father in law your drafts of the SPA and other agreement. He would kill me if he knew that I am reaching out to you without first discussing my concerns with him. I am concerned as to the agreements in several instances. Let me summarize and perhaps we can discuss and resolve all issues:

1. para 2 of the SPA references Fenton shall be compensated as further set forth in this Agreement. Nowhere is there further compensation and I am concerned that for tax purposes this will not be construed as an SPA but rather as an employment agreement with its concomitant tax consequences. I therefore suggest that the SPA be carefully drafted as an SPA only, and the other agreement be drafted as the employment agreement, etc.

Happy to move employment stuff to the letter.  
Compensation is as laid out in the agreement, we are buying his shares (on the schedule he suggest in order to

accommodate his taxes), but at the end of the day, that is the value he is getting out of this arrangement.

Obviously there is an understanding between Dan and Chris regarding the IPO and potential bonuses, but in terms of his work at DMG, the 800K is what he's getting – it's structure this way for his benefit, not ours.

TECHNICALLY THEY ARE BUYING THE SHARES OVER TIME TO HELP MY TAX SITUATION. THE 800K IS REALLY FOR ME TO WORK FOR THEM. I'M OK WITH THIS REASONING.

**2. para 3 references an acceleration without further payment to Fenton. This is unfair and he must be paid in full unless he voluntarily and without force or duress quits.**

This is a requirement from Dan. Once again, the share buyout was structure for tax purposes for Fenton. If he leaves the company, then there is no more value to it from our perspective and all shares should be transferred over. From the beginning, we anticipated buying all of the shares in one transaction now, with any further payments as income to Chris. We are accommodating his ask to structure this as equity, and hence that is why it is structured this way.

THEY CAN HAVE ALL THE SHARES AND THE ENTITY CAN COLLECT THE INCOME OWED TO THEM FROM THE DEALS BOOKED AFTER THE DEAL IS CLOSED AND SIGNED (OR AT LEAST THE MONEY CHANGES HANDS). THE REVENUE FROM PRE-EXISTING DEALS WILL GO TO ME AS IT WOULD'VE IF I REMAINED AT THE COMPANY.

NOTHING WOULD CHANGE THERE.

**3. para 6, needs to add back my indemnification language in addition to your insert! Chris needs to be indemnified for all past and future actions and not just "arising out of Fenton's actions or omissions during his employment"**

We were not responsible for his actions prior to the acquisition, so indemnity in that circumstance doesn't make much sense in our opinion. In terms of future actions, I think my language covers that – please let me know what I'm missing there. We can backdate indemnity to the first acquisition perhaps?

THEY NEED TO INDEMNIFY ME FOR ANYTHING I WAS DOING ON BEHALF OF DMG PRE-ACQUISITION. I ALREADY HAVE A LAWSUIT AGAINST ME FOR LOOPER AND AN SEC SUBPOENA AND ISSUE - BOTH PRE-ACQUISITION, AND ADDITIONALLY, THE SEC ISSUE

NAMES H2F ENTERTAINMENT AS AN ENTITY IT IS INQUIRING ABOUT. ADDITIONALLY, THEY DID NAME MY ASSISTANT BRIAN MCCURLEY IN THAT INQUIRY TOO, SO HE SHOULD BE COVERED IF HE'S EVER BROUGHT IN TO IT AGAIN.

**4. para 7, the SPA was never contingent upon "delivery of a proper business plan" and that should be eliminated**

Another requirement from Dan, which I spoke to Chris about. If there are issues with this, then Chris needs to speak to Dan directly.

I TOLD HIM THAT THERE WOULD BE A MORE SPECIFIC BREAKDOWN OF THE GENERAL BREAKDOWN I GAVE IN THE PAPERWORK I FURNISHED LAST MONTH. I'D GIVE IT TO HIM IN APRIL.

**5. para 9, the reps and warranties must be pared down as "f, h and i" are not true and I do not want a breach**

Why are they not true? I specifically reference the two actions we know about (SEC and Gradient FX). If there are other undisclosed liabilities, litigations or non-compliance with laws, that is a serious matter and we should discuss what they are right now. Further, I note that these are the same exact reps and warranties in the Stage 1 agreement....

THERE IS NOTHING ELSE I'M AWARE OF EITHER. NOT SURE IF WE NEED TO FIGHT THIS ONE.

**6. para 10, the transaction was not "contingent" upon delivery of a business plan, nor, subject to a re-valuation**

Unfortunately, these terms have changed based on discussions between Dan and Chris, if there is an issue here, they need to discuss, I am merely trying to reflect what I understand to be the new business terms.

HE'S CORRECT.

**7. para 11 should be revised to provide that the accounting info will be fair and reasonable and not necessarily in the form required by DMG's accountants (Chris is not an accountant!)**

As you may or may not know, we are preparing for an IPO, and thus Chris must deliver financial statements in a format that allows us to be in compliance with our disclosure requirements. That is a minimum and something we need from a business perspective. Given that we are putting in the entire budget of this company, it seems to me that it is not that big of an ask to get

properly formatted financial statements. He can hire someone if necessary.

I'M FINE DOING THIS AS LONG AS IT ISN'T OUTSIDE THE REALM OF WHAT MY BUSINESS MANAGER ALREADY DOES FOR ME (IE. COSTS MORE). SHOULD BE FINE.

As to the other agreement, we should discuss as Fenton has already indicated that the credits, etc might be an issue and he will not "utilize best efforts" but rather he will do all that he can to insure that the partners receive their credits

Why would he not utilize his best efforts? Not sure what you are getting at here. I would hope he utilizes his best efforts in everything he does, not just at getting credits...

I WILL USE BEST EFFORTS WHICH IS BETTER THAN MOST ANYONE ELSE'S BEST EFFORTS.

Thank you. Les PS do you want me to take a "stab" at drafting the agreements?

Let's iron out these points first before modifying the agreements, otherwise it may delay the process. Also seems like there is a disconnect between what I've spoken to Dan, Chris and you about. There needs to be some clarity on what we want and need in order for this deal to close. To the extent some of these business points need to be discussed between Chris and Dan, we need to figure out an efficient way to hash it out.

I THINK WE ARE OK. DOES THAT CLARIFY SOME STUFF ABOVE?

Thanks again for your comments, let's keep the discussion going and finalize this as I understand Chris is in a rush.

---

Information from ESET NOD32 Antivirus,  
version of virus signature database 9050 (20131114)

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The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

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Information from ESET NOD32 Antivirus,  
version of virus signature database 9050 (20131114)

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The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>



Chris Fenton

Partner | H2F Entertainment | p: 310.275.3750 | f: 310.275.3770 | e: [fenton@h2f-entertainment.com](mailto:fenton@h2f-entertainment.com) |  
w: [www.h2f-entertainment.com](http://www.h2f-entertainment.com)

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# **EXHIBIT 6**

**EXHIBIT 6**

## AGREEMENT FOR PURCHASE AND SALE OF STOCK

THIS AGREEMENT, reflects an agreement of the parties and shall be effective as of September 20, 2012, by and among Chris Fenton ("SELLER"), New Asia Success Partners Limited ("BUYER") and DMG (Hong Kong) Group Limited ("DMG") is made with reference to the following facts:

A. SELLER has represented that he is the owner of 100% of the issued and outstanding stock ("Stock") of H2F Entertainment, Inc., a California corporation ("Corporation").

B. The parties desire by the terms of this Agreement to provide for the sale of four hundred and ninety nine (499) shares of SELLER'S Stock in Corporation to BUYER and certain representations and warranties, all as more particularly hereinafter set forth. The parties are entering into this Agreement after, and with reference to, their preliminary agreement to the Stage II terms, which terms shall be set forth in a separate agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

### ARTICLE I PURCHASE AND SALE OF STOCK

1.1 **Sale and Transfer of Stock to BUYER.** Subject to and upon the terms and conditions set forth in this Agreement, effective September 20, 2012, SELLER will transfer and convey four hundred and ninety nine (499) shares of Stock to BUYER for the purchase price of one million US dollars (USD1,000,000.00).

1.2 **Consideration from BUYER at Closing.** As full payment for the transfer of said 499 shares of Stock by SELLER to BUYER, BUYER shall pay on or shortly after September 20, 2012 cash in the sum of USD500,000.00 to SELLER and on November 1, 2012 cash in the sum of USD500,000.00 to SELLER.

### ARTICLE II REPRESENTATIONS AND WARRANTIES OF SELLER

SELLER represents and warrants the following:

2.1 **Organization, Standing and Qualification of Corporation.** Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of California.

2.2 **Usage of Corporate Name.** SELLER will cause Corporation to use the Trademark (as defined in Article III below) with respect to all business transactions and all marketing, advertising, publicity, credits or any other public or private information concerning the Corporation going forward from the date of this Agreement. Usage of

any other name or moniker in connection with the Corporation's business or publicity activities going forward shall be subject to approval by DMG.

**2.3 Authorization, etc.** SELLER has full power and authority to enter into this Agreement, the Stage II Agreement and all agreements contemplated herein (the "Agreements"), to perform its obligations hereunder and thereunder, and to carry out the transactions contemplated.

**2.4 No Violation.** None of (1) the execution and delivery of the Agreements, (ii) the performance by Corporation of its obligations under the Agreements, (iii) the consummation of the transactions contemplated by the Agreements, will (A) violate any provision of the Certificate of Incorporation or By-Laws of the Corporation, (B) violate, or be in conflict with, or constitute a default or breach of, or permit the termination of, any contract commitment, debt or obligations of the Corporation, which either individually or in the aggregate would have a material adverse effect on the operations, business, assets or financial condition of the Corporation, (C) violate any statute, law, judgment, decree, order, regulation or rule of any court or governmental authority to which the Corporation is subject or (D) result in the loss of any material license, privilege or certificate benefitting the Corporation.

**2.5 Consents and Approvals.** No consent, approval, or authorization of, or declaration filing, or registration with, any governmental or regulatory authority is required to be made or obtained by the Corporation in connection with the execution, delivery and performance of the Agreements by the Corporation.

**2.6 Litigation.** To the best knowledge of the SELLER, no state of facts exists or has existed that would constitute grounds for the institution of any action, claim, proceeding or investigation, against the Corporation or against any properties or rights of the Corporation or the transactions contemplated by the Agreements. The Corporation is not subject to any judgment, order or decree entered in any lawsuit or proceeding that has materially adversely affected, or that can reasonably be expected to materially adversely affect, the transactions contemplated by the Agreements or the Corporation.

**2.7 Taxes.** All of the tax returns and reports of the Corporation or respecting the operations of the Corporation required by law to be filed on or before the date hereof have been duly and timely filed and all taxes shown as due thereon have been paid. There are in effect no waivers of any applicable statute of limitations related to such returns. The Corporation is not subject to any open audit in respect of its taxes, no deficiency assessment or proposed adjustment for taxes is pending, and Corporation has no knowledge of any liability, whether or not proposed, for any tax with respect to any period through the date hereof to be imposed upon any of its properties or assets.

**2.8 Compliance with Laws.** The Corporation is not in violation of, has not been charged with any violation of, or, to the best of its knowledge, is not under any investigation (other than the disclosed SEC action) with respect to any charge concerning any violation of any applicable laws. The Corporation is not in default with

respect to any order, write, injunction, or decree of any court, agency or instrumentality.

**2.9 Absence of Undisclosed Liabilities.** The Corporation does not have any undisclosed material debt, liability or obligation of any nature, whether known or unknown, or fixed, absolute, accrued, contingent or otherwise.

**2.10 Disclosure.** No representation or warranty by the Corporation in the Agreements contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements in the Agreements not misleading. There is no fact known to the Corporation that materially adversely affects, or that might in the future materially adversely affect, the operations, business, assets, properties or condition, financial or otherwise, of the Corporation.

### **ARTICLE III** **License to use DMG Trademark**

Subject to the terms and conditions set forth in this Agreement, DMG grants SELLER a non-exclusive, non-transferable, royalty-free license to use the trademark "DMG Entertainment" (the "Trademark") in connection with the Corporation's business. SELLER acknowledges and agrees that the rights granted to SELLER as a result of or in connection with this Agreement are license rights only, and nothing in this Agreement constitutes or shall be construed to be an assignment of any or all of DMG's rights in the Trademark. SELLER shall not at any time do or cause to be done any act or thing challenging, contesting, impairing, invalidating or tending to impair or invalidate any of DMG's rights in the Trademark or any registrations derived from such rights. SELLER acknowledges and agrees that DMG has, shall retain, and may exercise all rights and remedies available to DMG, whether derived from this Agreement, from statute, or otherwise, as a result of or in connection with SELLER's breach of this Agreement or misuse of the Trademark. DMG may terminate SELLER's license to use the Trademark at any time, at DMG's sole discretion.

BUYER and DMG agree to indemnify, defend and hold harmless SELLER for any and all actions, causes of action, liabilities, losses, costs, expenses, claims, penalties, etc. (to include SELLER'S actual attorneys fees and costs) that SELLER may suffer or incur as a result of actions of BUYER and/or DMG.

### **ARTICLE III** **CLOSING**

The transfer of the stock by SELLER to BUYER shall take place on September 20, 2012 ("Closing"). At the Closing, SELLER shall deliver to BUYER the certificate representing the shares and BUYER shall deliver at the Closing cash in the amount of USD500,000.00 to SELLER and on November 1, 2012 another USD500,000.00 in cash to SELLER.

### **ARTICLE IV** **GOVERNING LAW**

This Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it on the date and year first above written. The parties acknowledge and agree that the value of the Stock may increase or decrease in the future.

SELLER:



Chris Fenton

BUYER:

New Asia Success Partners Limited

by \_\_\_\_\_



DMG  
DMG (Hong Kong) Group Limited

by \_\_\_\_\_

# **EXHIBIT 7**

**EXHIBIT 7**

## STOCK PURCHASE AGREEMENT

This Agreement, reflects an agreement of the parties and shall be effective upon execution by November 18, 2013 yet backdated for issues related only to the initial stock purchase, to January 1, 2013, between and among Chris Fenton ("Fenton"), H2F Entertainment, Inc., a California Corporation ("H2F") and New Asia Success Partners Limited ("DMG"), and is made with reference to the following facts:

- A. DMG previously purchased four hundred ninety-nine (499) shares of H2F pursuant to the Agreement for Purchase and Sale of Stock dated September 20, 2012 between Fenton and DMG (the "First Stock Purchase Agreement"). Said shares represented 49.9% of all existing shares of H2F.
- B. Fenton and DMG desire to set forth in this Agreement to provide for the sale by Fenton and purchase by DMG of the remaining five hundred one (501) shares of H2F over a five year period.
- C. Concurrently with the execution of this Agreement are additional terms agreed upon on a good faith basis in the Letter dated November 18, 2013 between Fenton and DMG, which terms are incorporated herein by reference.

Now, therefore, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Usage of Corporate Name.** Pursuant to the First Stock Purchase Agreement, H2F agreed to use the Trademark (as defined in the First Stock Purchase Agreement), and hereby agrees to continue to use the Trademark (as defined in the First Stock Purchase Agreement) with respect to all business transactions and all marketing, advertising, publicity, credits or any other public or private information concerning the Corporation going forward from the date of this Agreement. Usage of any other name or moniker in connection with the Corporation's business or publicity activities going forward shall be subject to approval by DMG.
2. **Acceleration of Share Purchase.** Fenton acknowledges and agrees that the purchase price paid for the remaining H2F shares is contingent on Fenton remaining a full-time employee of DMG and H2F. In the event that Fenton leaves or otherwise is no longer employed by DMG or H2F, all remaining shares shall be immediately transferred by Fenton to DMG with the total purchase price paid by such date being deemed to be the total purchase price for such shares.
3. **Accounts Receivable.** It is understood and agreed that DMG did not purchase and shall not participate in the existing receivables of H2F for its pre-existing client and production deals. Such accounts receivable shall be paid to whom they are currently due. Notwithstanding the foregoing, it is hereby agreed that DMG shall receive a pro-rata interest in future revenues from H2F for client and production deals made after the execution date of this Agreement. Such pro-rata interest is equivalent to Fenton's share (which is 50% of client deals and 50% of any quote of \$400,000 or less with respect to production deals) plus any overages above the \$400,000.00 present quote on production deals. Therefore, if a producer fee is \$500,000.00, DMG would receive \$200,000.00 plus the overage of \$100,000.00. The backend participation will follow the same formula and is 80% of the "full quote" of DMG or 50% of H2F's normal quote with DMG receiving an amount equivalent to Fenton's share plus any overage.

4. **Indemnification.** DMG to indemnify, defend and hold-harmless Fenton and any H2F employees and H2F, from any and all expense, cost, obligations, legal expenses, liabilities, fines, etc., relative to his or their actions (or an employee's actions at Fenton's direction) at any time on behalf of DMG and/or relative to his employment by DMG, as well as, for all licensing and contractual transactions related to DMG. Said indemnification is to shield Fenton, H2F and its employees from any liabilities, obligations fees, lawsuits, claims, investigations, regulatory infractions, suspicions or convictions of fraud and/or criminal activity either by private parties or governmental entities, both domestic and international, as a result of business practices and/or activities by DMG, its owners, and its employees, as well as, any liability (contractual or otherwise) for licensing transactions related to DMG. A request for indemnification shall be submitted by Fenton to DMG by 10 working days written notice upon discovery of the action giving rise to the indemnity claim. Such notice shall state the cause of action giving rise to indemnity, the amount of indemnity and the reasons for claiming indemnity. Upon DMG's receipt of such suitable notice, DMG shall indemnify Fenton as soon as reasonably practicable.
5. **Stock Purchase.** Subject to and upon the terms set forth in this Agreement, particularly Section 2 regarding Fenton's continued employment and Section 7 regarding delivery of a proper business plan, Fenton shall transfer and sell his remaining shares in H2F and DMG shall purchase and receive such remaining H2F shares according to the following schedule (each, a "Closing"):
  - a. 2013 – 101 Shares:
    - i. \$320,000 July 18, 2013 (already paid)
    - ii. \$500,000 November 15, 2013
    - iii. Stock Purchase Certificate issued by December 15, 2013
  - b. 2014 – 100 Shares:
    - i. \$400,000 March 1, 2014
    - ii. \$400,000 September 1, 2014
    - iii. Stock Purchase Certificate issued by September 1, 2014
  - c. 2015 – 100 Shares:
    - i. \$400,000 March 1, 2015
    - ii. \$400,000 September 1, 2015
    - iii. Stock Purchase Certificate issued by September 1, 2015
  - d. 2016 – 100 Shares:
    - i. \$400,000 March 1, 2016
    - ii. \$400,000 September 1, 2016
    - iii. Stock Purchase Certificate issued by September 1, 2016
  - e. 2017 – 100 Shares:
    - i. \$400,000 March 1, 2017
    - ii. \$400,000 September 1, 2017
    - iii. Final Stock Purchase Certificate issued by September 1, 2017

Cash related to each such stock purchase shall be paid to the following bank account:

Bank: Wells Fargo

Name on account: Christopher W. Fenton

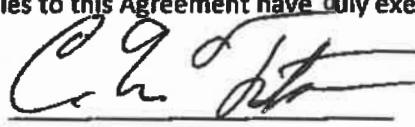
REDACTED

Phone Number: 310-550-2101  
24 Hour Number: 800-869-3557

6. **Representations and Warranties of Fenton and H2F.** As of the date of this Agreement and the date of each stock purchase and payment:
  - a. **Organization, Standing and Qualification of Corporation.** H2F represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California.
  - b. **Usage of Corporate Name.** Fenton will cause H2F and H2F shall use the Trademark (as defined in the First Stock Purchase Agreement) with respect to all business transactions and all marketing, advertising, publicity, credits or any other public or private information concerning H2F. Usage of any other name or moniker in connection with the H2F's business or publicity activities going forward shall be subject to approval by DMG.
  - c. **Authorization.** Fenton has full power and authority to enter into this Agreement and all agreements contemplated herein (the "Agreements"), to perform his obligations hereunder and thereunder, and to carry out the transactions contemplated.
  - d. **No Violation.** None of (1) the execution and delivery of the Agreements, (ii) the performance by H2F of its obligations under the Agreements, (iii) the consummation of the transactions contemplated by the Agreements, will (A) violate any provision of the Certificate of Incorporation or By-Laws of H2F, (B) violate, or be in conflict with, or constitute a default or breach of, or permit the termination of, any contract commitment, debt or obligations of H2F, which either individually or in the aggregate would have a material adverse effect on the operations, business, assets or financial condition of H2F, (C) violate any statute, law, judgment, decree, order, regulation or rule of any court or governmental authority to which H2F is subject or (D) result in the loss of any material license, privilege or certificate benefitting H2F.
  - e. **Consents and Approvals.** No consent, approval, or authorization of, or declaration filing, or registration with, any governmental or regulatory authority is required to be made or obtained by H2F in connection with the execution, delivery and performance of the Agreements by H2F.
  - f. **Litigation.** To the best knowledge of Fenton, except as previously disclosed, no state of facts exists or has existed that would constitute grounds for the institution of any action, claim, proceeding or investigation, against H2F or against any properties or rights of H2F or the transactions contemplated by the Agreements. H2F is not subject to any judgment, order or decree entered in any lawsuit or proceeding that has materially adversely affected, or that can reasonably be expected to materially adversely affect, the transactions contemplated by the Agreements or H2F.
  - g. **Taxes.** All of the tax returns and reports of H2F or respecting the operations of H2F required by law to be filed on or before the date hereof have been duly and timely filed and all taxes shown as due thereon have been paid. There are in effect no waivers of any applicable statute of limitations related to such returns. H2F is not subject to any open audit in respect of its taxes, no deficiency assessment or proposed adjustment for taxes is pending, and H2F has no knowledge of any liability, whether or not proposed, for any tax with respect to any period through the date hereof to be imposed upon any of its properties or assets.
  - h. **Compliance with Laws.** H2F is not in violation of, has not been charged with any violation of, or, to the best of its knowledge, is not under any investigation (other than the disclosed SEC, and Looper/GradientFX actions) with respect to any charge concerning any violation of any

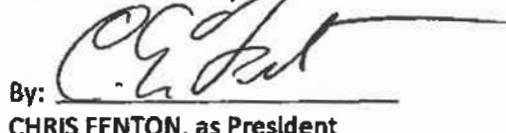
- applicable laws. H2F is not in default with respect to any order, writ, injunction, or decree of any court, agency or instrumentality.
- i. **Absence of Undisclosed Liabilities.** H2F does not have any undisclosed material debt, liability or obligation of any nature, whether known or unknown, or fixed, absolute, accrued, contingent or otherwise.
  - j. **Disclosure.** No representation or warranty by H2F in the Agreements contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements in the Agreements not misleading. There is no fact known to H2F or Fenton that materially adversely affects, or that might in the future materially adversely affect, the operations, business, assets, properties or condition, financial or otherwise, of H2F.
7. **Business Plan.** Fenton agrees as a condition precedent to this Agreement to deliver a business plan with appropriate metrics for determining performance to DMG's satisfaction by March 31, 2014. Failure to provide an adequate business plan to DMG by such date shall impact the valuation of H2F and in the event a revaluation is necessary, the amounts payable for H2F shares after such date shall be modified according to such revaluation at that time.
8. **Reports.** Fenton shall ensure that H2F provides financial statements (ie: as prepared by H2F's business manager) setting forth all relevant financial information including profit, loss and expenses to DMG according to the schedule and in the format required by DMG's accounting department, but in any event at least quarterly and in an industry-standard accounting format.
9. **Confidential Information.** The parties agree that they and their representatives will hold in strict confidence the terms and conditions of, and existence of, this Agreement.
10. **Other Agreements.** Fenton & DMG shall utilize their reasonable and best efforts to resolve all issues not set forth herein.
11. **Governin gLaw.** This Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

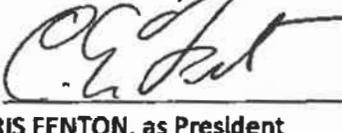
IN WITNESS WHEREOF, the parties to this Agreement have duly executed on the date and year first above written.



CHRIS FENTON, as individual

H2F Entertainment, Inc.



By: 

CHRIS FENTON, as President

New Asia Success Partners Limited

**By:** \_\_\_\_\_

# **EXHIBIT 8**

**EXHIBIT 8**

Chris Fenton  
H2F Entertainment, Inc.  
3431 Wesley Street  
Suite E  
Culver City, CA 90232

November 18, 2013

**Re: Other Arrangements**

Reference is hereby made to that certain Stock Purchase Agreement (the "Stock Purchase Agreement"), dated as of November 18, 2013, by and among Chris Fenton ("Fenton"), an individual and shareholder of H2F Entertainment, Inc. ("H2F"), and New Asia Success Partners Limited ("DMG"), as amended from time to time. Any capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Stock Purchase Agreement.

Pursuant to the terms of the Stock Purchase Agreement, DMG shall acquire all of the shares of H2F held by Fenton according to the schedule set forth therein (the "Transaction").

In connection with the Transaction, we have set forth the following additional understandings and promises made between the parties:

1. **IPO and Bonuses.** DMG agrees in good faith that Fenton "shall be taken care of nicely" in the event of an initial public offering of DMG. DMG also recognizes and agrees in good faith that Fenton shall be paid bonuses for his contributions to DMG, the amount of such bonuses to be determined by DMG.
2. **Production Fees and Credits.** Fenton shall utilize best efforts to increase the production fees paid to H2F, as evidenced by the recent BLOOD MONEY deal with Alcon and the \$1,000,000 fee Fenton negotiated. Said projects associated with such fees shall also increase the "credits" gained by Dan Mintz ("Mintz"), and, where also possible, Wu Bing and Peter Xiao as well as the visibility of DMG through increased production company credits. All credits shall be determined at DMG's discretion and on a case-by-case basis.
3. **Studio Deal.** In the event a studio gives H2F and DMG a production deal, be that for Film and/or TV, the monies from said production deal(s) will go directly to H2F or DMG, in any manner as DMG determines. Cowles's participation in such a production deal shall be similar to that of his full quote producer fee participation (20%) with 80% going to DMG.
4. **Los Angeles Office.** Fenton established an office in Los Angeles and signed a lease for which Fenton is personally liable for. The creative office space features approximately 2000 square feet of indoor and outdoor work space and has been customized, furnished, and tech configured to the level required to run a top notch media and entertainment business. The H2F budget shall be utilized to pay for the office lease and office expenses.
5. **Employment of Fenton.** Fenton shall become a full-time employee of DMG with the titles of "President, DMG Entertainment Motion Picture Group" and "General Manager, DMG North

America" and shall report directly to Dan Mintz ("Mintz") with priorities laid out by Mintz, Wu Bing and Peter Xiao. Fenton shall be compensated as further set forth in this Agreement. The initial term of the Employment Agreement shall be for five (5) years, backdated to January 1, 2013 and continuing to December 31, 2017. Fenton's duties shall include, but are not limited to, maintaining a strong boutique management/production company with respect to DMG which includes both maintaining a strong boutique client list and continually increasing the number of projects in development as producers, as well as pushing additional projects into production. The aforesaid focus is four-fold; (1) increasing the value of the DMG brand and awareness in the U.S. and international markets, (2) providing synergy between DMG and content creators, (3) further strengthening the bond between DMG and US Studio partners through a vibrant US domestic Hollywood operation, and (4) generating a steady but growing income stream from the US operations of DMG to offset costs.

6. Expenses. It is the intention of the parties that the total net cost to DMG of both H2F's operations and Fenton shall be one million dollars (\$1,000,000.00) annually (the "H2F Budget"), inclusive of taxes and insurance, which shall be divided as follows: (1) Eight hundred thousand dollars (\$800,000) shall be paid according to the schedule set forth in the Stock Purchase Agreement for the share purchase and (2) two hundred thousand dollars (\$200,000) shall be paid to H2F's bank account as set forth in Section 8 below. This H2F Budget shall cover all of H2F's business operations and expenses including, but not limited to: (1) compensation to Fenton, (2) compensation to Brian McCurley, (3) compensation to any other person hired by H2F, (4) office expenses including rent, utilities, phone, internet, office supplies and equipment, office furnishings and (5) business expenses including reimbursable transportation, meals, entertainment, etc. If the H2F Budget is unable to cover these expenses, then Fenton shall then be responsible for covering said deficit (up to, but not to exceed) from accounts receivable booked prior to the date of this Agreement. Any expenses outside the scope of H2F's operations (including Mintz' expenses) shall be handled separately by DMG with H2F's and Fenton's cooperation, but in the interest of clarity, are not included in the calculation of expenses for purposes of this Section.
7. Confidential Information. The parties agree that they and their representatives will hold in strict confidence the terms and conditions of, and existence of, this Agreement.
8. H2F Operational Budget. Annual Cashflow Schedule payable to the H2F primary CNB account:
  - a. 2013
    - i. \$180,000 July 18, 2013 (already paid)
  - b. 2014
    - i. \$100,000 January 15, 2014
    - ii. \$100,000 July 15, 2014
  - c. 2015
    - i. \$100,000 January 15, 2015
    - ii. \$100,000 July 15, 2015
  - d. 2016
    - i. \$100,000 January 15, 2016
    - ii. \$100,000 July 15, 2016
  - e. 2017
    - i. \$100,000 January 15, 2017
    - ii. \$100,000 July 15, 2017

Cash related to the H2F Operational Budget shall be paid to the following bank account:  
Bank: City National Bank  
Name on Account: H2F Entertainment, Inc.  
REDACTED

Address: City National Bank  
400 N. Roxbury Drive  
Beverly Hills, Ca. 90210  
213-382-4262

9. Chris Cowles. Chris Fenton shall negotiate a formal working relationship with Chris Cowles and DMG/H2F going forward which shall be patterned after the November 2013 emails to Timothy Shih, Esq. enumerating the compensation to Cowles.

To indicate your agreement with the foregoing, please execute and return a copy of this letter agreement to DMG.

Very truly yours,

**New Asia Success Partners Limited**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Agreed and Consented to:

Chris Fenton

By: \_\_\_\_\_

H2F Entertainment, Inc.

By: \_\_\_\_\_

Name: Chris Fenton

Title: President

# **EXHIBIT 9**

**EXHIBIT 9**

REDACTED

**Attachments:** [EmploymentContract.pdf](#)  
[StockPurchase.pdf](#)

---

---

**From:** Chris Fenton <fenton@h2f-entertainment.com>  
**Date:** Wednesday, December 4, 2013 at 12:26 PM  
**To:** Jennifer Fenton <jenchriss.fenton@gmail.com>  
**Subject:** Fwd: H2F Acquisition - Final Documents

ily

Begin forwarded message:

**From:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>  
**Subject: Re: H2F Acquisition - Final Documents**  
**Date:** December 4, 2013 12:23:31 PM PST  
**To:** Dan Mintz <[dan.mintz@dmg-entertainment.com](mailto:dan.mintz@dmg-entertainment.com)>, Tim Shih <[timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)>  
**Cc:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>, "CHAYOLAW@aol.com Les Chayo" <[CHAYOLAW@aol.com](mailto:CHAYOLAW@aol.com)>

Executed Documents attached. Very exciting!

Here's to a fantastic future!.....

CF

On Dec 3, 2013, at 8:17 PM, Dan Mintz wrote:

OK from my side!

DM

**Dan Mintz**  
CEO  
DMG Entertainment  
25th Floor, Tower A, 25 Chao Yang Men Wai St.  
Beijing, PRC 100020  
Phone +86 10 8565 3333 ext. 6157  
Email [dan.mintz@DMG-Entertainment.com](mailto:dan.mintz@DMG-Entertainment.com)  
[www.DMG-Entertainment.com](http://www.DMG-Entertainment.com)

---

**From:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>  
**Date:** Wednesday, December 4, 2013 3:41 AM  
**To:** Timothy Shih <[timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)>, Dan  
<[Dan.Mintz@dmg-entertainment.com](mailto:Dan.Mintz@dmg-entertainment.com)>  
**Cc:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>  
**Subject:** Re: H2F Acquisition - Final Documents

Dan, as per our conversation earlier today, we believe the agreements are ready to sign. Please advise. Very exciting!

Best,  
CF

On Dec 3, 2013, at 12:36 AM, Timothy Shih wrote:

Still need's Dan's final sign off, but I'm good with them at this point.

Timothy Y. Shih (史耀先)  
General Counsel  
DMG Entertainment  
25th Floor, Tower A, CHAOWAIMEN, 26 Chaoyangmenwai Street  
Chaoyang District, 100020, Beijing China  
Mobile: +86 18601328700  
Email: [timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)

<image001.png>  
Privileged/Confidential Information may be contained in this message. If you are not the addressee indicated in this message (or responsible for delivery of the message to such person), you may not copy or deliver this message to anyone. In such case, you should destroy this message and kindly notify the sender by reply email. Please advise immediately if you or your employer does not consent to email or messages of this kind. Opinions, conclusions and other information in this message that do not relate to the official business of the DMG Group shall be understood as neither given nor endorsed by it.

---

**From:** Chris Fenton [<mailto:chris.fenton@dmg-entertainment.com>]

**Sent:** Tuesday, December 03, 2013 10:22 AM  
**To:** Timothy Shih  
**Cc:** Chris Fenton; [CHAYOLAW@aol.com](mailto:CHAYOLAW@aol.com) Les Chayo  
**Subject:** Re: H2F Acquisition - Final Documents

I looked thru the documents with Les today,  
and they seem ready to sign. Please advise if  
I should sign them now. Thanks for your hard  
work on this. Best,  
CF

**Chris Fenton**

President, DMG Entertainment Motion Picture Group  
GM, DMG North America

Los Angeles Office:  
3431 Wesley Street  
Suite E  
Culver City, CA 90232  
Phone 310-275-3710  
Fax 310-275-3770  
Cell 310-717-0481  
[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)  
<http://www.dmg-entertainment.com>

Beijing Office:  
Level 25 Tower A  
Chaowaimen 26  
Chaoyangmenwai Street Chaoyang District  
Beijing  
Phone (86)10-85653333  
Fax (86)10-85653555



Chris Fenton

Partner | H2F Entertainment | p: 310.275.3750 | f: 310.275.3770 | e: [fenton@h2f-entertainment.com](mailto:fenton@h2f-entertainment.com) | w: [www.h2f-entertainment.com](http://www.h2f-entertainment.com)

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# **EXHIBIT 10**

**EXHIBIT 10**

REDACTED

**Attachments:** EmploymentContract[1].pdf; StockPurchase[1].pdf; H2FLegalDocuments[1][2].pdf

REDACTED

---

**From:** <Michelle.Qu@dmgmedia.com>  
**Date:** Tuesday, December 10, 2013 at 7:30 PM  
**To:** Chris Fenton <chris.fenton@dmg-entertainment.com>  
**Subject:** Re: Fwd: H2F Acquisition - Final Documents

Hi Chris,

We delivered the bank instruction yesterday, so it's expected that the bank shall make the wire today.

Cheers,

**Michelle Qu**

Finance Director

DMG

Level 25, Tower A, 26 Chaoyangmenwai Street, 100020 朝阳门外大街26号A座25层, 100020

Beijing

Phone (8610)85653333\*2888

Fax (8610)85653555

Email michelle.qu@dmgmedia.com

**曲宁**

财务总监

DMG

电话 (8610)85653333\*2888

传真 (8610)85653555

邮件地址 michelle.qu@dmgmedia.com



Chris Fenton <chris.fenton@dmg-entertainment.com>	收件人 ?? <michelle.qu@dmgmedia.com>
2013-12-11 08:37	抄送
	主题 Fwd: H2F Acquisition - Final Documents

please give me an update today when you get a moment. thank you very much. best,  
CF

Begin forwarded message:

**From:** Dan Mintz <[Dan.Mintz@dmg-entertainment.com](mailto:Dan.Mintz@dmg-entertainment.com)>  
**Subject:** Re: H2F Acquisition - Final Documents  
**Date:** December 9, 2013 8:11:24 AM PST  
**To:** <[michelle.qu@dmgmedia.com](mailto:michelle.qu@dmgmedia.com)>  
**Cc:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>, Tim Shih <[timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)>, <[yang.liu@dmgmedia.com](mailto:yang.liu@dmgmedia.com)>

Michelle,  
Please make sure the wire goes out to Chris ASAP.

Thx,  
DM

Dan Mintz  
CEO  
DMG Entertainment  
25th Floor, Tower A, 25 Chao Yang Men Wai St.  
Beijing, PRC 100020  
Phone +86 10 8565 3333 ext. 6157  
Email [dan.mintz@DMG-Entertainment.com](mailto:dan.mintz@DMG-Entertainment.com)  
[www.DMG-Entertainment.com](http://www.DMG-Entertainment.com)

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**From:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>  
**Date:** Monday, December 9, 2013 11:14 PM  
**To:** <[michelle.qu@dmgmedia.com](mailto:michelle.qu@dmgmedia.com)>  
**Cc:** Tim Shih <[timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)>, <[yang.liu@dmgmedia.com](mailto:yang.liu@dmgmedia.com)>, Dan Mintz <[Dan.Mintz@dmg-entertainment.com](mailto:Dan.Mintz@dmg-entertainment.com)>  
**Subject:** Re: H2F Acquisition - Final Documents

Thanks Michelle. Just please keep in mind that the holidays are coming up here and I need the wire to post by end of the month. Really appreciate you staying on top of this. Thanks so much. Best,  
CF

On Dec 8, 2013, at 11:26 PM, [michelle.qu@dmgmedia.com](mailto:michelle.qu@dmgmedia.com) wrote:

I haven't received any chop application for the agreement, but I heard that someone is coordinating for Bing to prove the payment.

Once Finance Dept get the approved payment application form, we will make the wire.

Regards,

**Michelle Qu**

Finance Director

DMG

Level 25, Tower A, 26 Chaoyangmenwai Street, 100020 朝阳门外大街26号A座25层, 100020

Beijing

**曲宁**

财务总监

DMG

北京

Phone (8610)85653333\*2888

电话 (8610)85653333\*2888

Fax (8610)85653555

传真 (8610)85653555

Email [michelle.qu@dmgmedia.com](mailto:michelle.qu@dmgmedia.com)

邮件地址 [michelle.qu@dmgmedia.com](mailto:michelle.qu@dmgmedia.com)

<Mail Attachment.gif>



Michelle,  
What's the status on this? Thanks so very much. Best,  
CF

Sent from my iPhone

Begin forwarded message:

**From:** "Timothy Shih" <[Timothy.Shih@dmg-entertainment.com](mailto:Timothy.Shih@dmg-entertainment.com)>  
**Date:** December 5, 2013, 12:09:31 AM PST  
**To:** <[Michelle.Qu@dmgmedia.com](mailto:Michelle.Qu@dmgmedia.com)>, <[Frank.Feng@dmgmedia.com](mailto:Frank.Feng@dmgmedia.com)>  
**Cc:** "'Chris Fenton'" <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>  
**Subject:** FW: H2F Acquisition - Final Documents

Michelle,

H2F documents have been finalized, attached are scanned versions of Chris's signature and Dan's signature will be delivered to you shortly for chop. I will also send up the payment form. Please let me know if you have any issues.

Best,  
Tim

Timothy Y. Shih (史耀先)  
General Counsel  
DMG Entertainment  
25th Floor, Tower A, CHOWAIMEN, 26 Chaoyangmenwai Street  
Chaoyang District, 100020, Beijing China  
Mobile: +86 18601328700  
Email: [timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)

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**From:** Chris Fenton [<mailto:chris.fenton@dmg-entertainment.com>]  
**Sent:** Thursday, December 05, 2013 4:24 AM  
**To:** Dan Mintz; Tim Shih

**Cc:** Chris Fenton; [CHAYOLAW@aol.com](mailto:CHAYOLAW@aol.com) Les Chayo  
**Subject:** Re: H2F Acquisition - Final Documents

Executed Documents attached. Very exciting!

Here's to a fantastic future! ??..

CF

---

Information from ESET NOD32 Antivirus, version of virus signature database 9132 (20131204)

---

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

---

Information from ESET NOD32 Antivirus, version of virus signature database 9132 (20131204)

---

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

On Dec 3, 2013, at 8:17 PM, Dan Mintz wrote:

OK from my side!  
DM

Dan Mintz  
CEO  
DMG Entertainment  
25th Floor, Tower A, 25 Chao Yang Men Wai St.  
Beijing, PRC 100020  
Phone +86 10 8565 3333 ext. 6157  
Email [dan.mintz@DMG-Entertainment.com](mailto:dan.mintz@DMG-Entertainment.com)  
[www.DMG-Entertainment.com](http://www.DMG-Entertainment.com)

**From:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>  
**Date:** Wednesday, December 4, 2013 3:41 AM  
**To:** Timothy Shih <[timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)>, Dan <[Dan.Mintz@dmg-entertainment.com](mailto:Dan.Mintz@dmg-entertainment.com)>  
**Cc:** Chris Fenton <[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)>  
**Subject:** Re: H2F Acquisition - Final Documents

Dan, as per our conversation earlier today, we believe the agreements are ready to sign. Please advise. Very exciting! Best,

CF

On Dec 3, 2013, at 12:36 AM, Timothy Shih wrote:

Still need's Dan's final sign off, but I'm good with them at this point.

Timothy Y. Shih (史耀先)

General Counsel  
DMG Entertainment  
25th Floor, Tower A, CHAOWAIMEN, 26 Chaoyangmenwai Street  
Chaoyang District, 100020, Beijing China  
Mobile: +86 18601328700  
Email: [timothy.shih@dmg-entertainment.com](mailto:timothy.shih@dmg-entertainment.com)

<image001.png>

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**From:** Chris Fenton [<mailto:chris.fenton@dmg-entertainment.com>]  
**Sent:** Tuesday, December 03, 2013 10:22 AM  
**To:** Timothy Shih  
**Cc:** Chris Fenton; [CHAYOLAW@aol.com](mailto:CHAYOLAW@aol.com) Les Chayo  
**Subject:** Re: H2F Acquisition - Final Documents

I looked thru the documents with Les today, and they seem ready to sign. Please advise if I should sign them now. Thanks for your hard work on this. Best,  
CF

### Chris Fenton

President, DMG Entertainment Motion Picture Group  
GM, DMG North America

Los Angeles Office:  
3431 Wesley Street  
Suite E  
Culver City, CA 90232  
Phone 310-275-3710  
Fax 310-275-3770  
Cell 310-717-0481  
[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)  
<http://www.dmg-entertainment.com>

Beijing Office:  
Level 25 Tower A  
Chaowaimen 26  
Chaoyangmenwai Street Chaoyang District  
Beijing

Phone (86)10-85653333

Fax (86)10-85653555

<Mail Attachment.gif><Mail Attachment.gif>

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to email or messages of this kind. Opinions, conclusions and other information in this message that do not relate to the official business of the DMG Group shall be understood as neither given nor endorsed by it.<image001.png><EmploymentContract.pdf><StockPurchase.pdf>

## Chris Fenton

President, DMG Entertainment Motion Picture Group  
GM, DMG North America

Los Angeles Office:  
3431 Wesley Street  
Suite E  
Culver City, CA 90232  
Phone 310-275-3710  
Fax 310-275-3770  
Cell 310-717-0481  
[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)  
<http://www.dmg-entertainment.com>

Beijing Office:  
Level 25 Tower A  
Chaowaimen 26  
Chaoyangmenwai Street Chaoyang District  
Beijing

Phone (86)10-85653333

Fax (86)10-85653555

**DMG** ——————

**DMG** ——————

## Chris Fenton

President, DMG Entertainment Motion Picture Group  
GM, DMG North America

Los Angeles Office:  
3431 Wesley Street  
Suite E  
Culver City, CA 90232  
Phone 310-275-3710  
Fax 310-275-3770  
Cell 310-717-0481  
[chris.fenton@dmg-entertainment.com](mailto:chris.fenton@dmg-entertainment.com)  
<http://www.dmg-entertainment.com>

Beijing Office:  
Level 25 Tower A  
Chaowaimen 26  
Chaoyangmenwai Street Chaoyang District  
Beijing

Phone (86)10-85653333

Fax (86)10-85653555

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# **EXHIBIT 11**

**EXHIBIT 11**

## SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of March 27, 2014 by and between New Asia Success Partners Limited (“Seller”) and Healthy Soar Investment Limited (“Buyer”).

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, on the terms and subject to the conditions of this Agreement, 600 ordinary shares, par value US\$1.00 per share (the “Shares”) of H2F Entertainment, Inc., a California corporation (the “Company”);

WHEREAS, Seller is a party to the Agreement for Purchase and Sale of Stick dated September 20, 2012 between Chris Fenton (“Fenton”), an individual, and Seller (the “First Stock Purchase Agreement”) and the Stock Purchase Agreement dated November 18, 2013 between and among Fenton, the Seller and the Company (the “Second Stock Purchase Agreement” and, together with the First Stock Purchase Agreement, the “Financing Documents”);

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the parties hereto agree as follows:

### ARTICLE I PURCHASE AND SALE OF SHARES

SECTION 1.1. Sale and Purchase of Shares. Subject to the satisfaction or waiver of the conditions set forth in this Agreement, Seller hereby agrees to sell, transfer and convey to Buyer, and Buyer hereby agrees to purchase from Seller, the Shares, free and clear of all adverse claims, liens, encumbrances, security interests, title defects, or other restriction or limitation (collectively, “Liens”), other than those created by Buyer or pursuant to this Agreement.

SECTION 1.2. Payment of Purchase Price. The aggregate purchase price for the Shares is US\$600.00 (the “Purchase Price”).

SECTION 1.3. Closing.

(a) The Closing of the purchase and sale of the Shares is to be held at Hong Kong (the “Closing”) on such a date as agreed between the parties (the “Closing Date”).

(b) At the Closing, Buyer shall deliver to Seller a cashier’s check or wire transfer in the amount of the Purchase Price, and Seller shall deliver to the (i) Buyer a copy of a duly executed instrument of transfer of the Shares in favor of Buyer, (ii) a copy of the register of members of the Company, which is updated according to board resolutions of the Company approving the transfer of the Shares and reflects the transfer of the Shares from Seller to Buyer as of the Closing Date and gives effect to Buyer’s acquisition of the Shares, and (iii) duly executed joinder agreements to the Financing Documents countersigned by the Company (provided such joinder agreements are duly executed by Buyer and delivered to Seller).

(c) As promptly as practicable after the Closing, Seller shall deliver to Buyer a share certificate representing Buyer’s ownership of the Shares.

**ARTICLE II**  
**REPRESENTATIONS AND WARRANTIES OF THE SELLER**

Seller represents and warrants to Buyer as follows:

**SECTION 2.1.** Organization and Authority. Seller is duly organized, validly existing and, to the extent applicable, in good standing under the laws of the jurisdiction of its formation. Seller has all requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to consummate the transactions contemplated hereby, including, without limitation, to own, hold, sell, transfer and convey pursuant to this Agreement, the Shares. The execution, delivery and performance of this Agreement have been duly and validly authorized by Seller, and all necessary action on behalf of Seller has been taken to make this Agreement a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium, receivership or similar laws affecting creditors' rights generally and by general principles of equity (whether considered at law or in equity).

**SECTION 2.2.** No Conflicts. The execution and delivery by Seller of this Agreement and the performance by Seller of its obligations under this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in a violation or breach of:

- (a) any of the terms, conditions or provisions of the organizational documents of Seller; or
- (b) any term or provision of any law, statute, order, judgment or decree applicable to Seller or any of its assets or properties.

**SECTION 2.3.** Consents. No consent, approval, permit, license, order or authorization of, filing with, or notice or other actions to, with or by any local or foreign governmental authority or any other person, is necessary, on the part of Seller to effect the transactions contemplated by this Agreement or to authorize the execution, delivery and performance by Seller of this Agreement.

**SECTION 2.4.** Ownership of Shares. As of the date hereof, Seller is the sole owner of, and has good and valid title to the Shares free and clear of any Liens. Seller has, as of the date hereof, full and unrestricted power to sell, assign, transfer and deliver the Shares held by it to Buyer in accordance with the terms of this Agreement, and good and valid title to the Shares will be delivered to Buyer upon sale pursuant hereto free and clear of all Liens, other than Liens created by Buyer or pursuant to this Agreement.

**ARTICLE III**  
**REPRESENTATIONS AND WARRANTIES OF THE BUYER**

Buyer represents and warrants to Seller that:

**SECTION 3.1.** Organization and Authority. Buyer is duly organized, validly

existing and, to the extent applicable, in good standing under the laws of the jurisdiction of its formation. Buyer has all requisite corporate or other power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement have been duly and validly authorized by Buyer, and all necessary corporate or other action on behalf of Buyer has been taken to make this Agreement a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium, receivership or similar laws affecting creditors' rights generally and by general principles of equity (whether considered at law or in equity).

SECTION 3.2. No Conflicts. The execution and delivery by Buyer of this Agreement and the performance by Buyer of its obligations under this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in a violation or breach of:

- (a) any of the terms, conditions or provisions of the organizational documents of Buyer; or
- (b) any term or provision of any law, statute, order, judgment or decree applicable to Buyer or any of its assets or properties.

SECTION 3.3. Consents. No consent, approval, permit, license, order or authorization of, filing with, or notice or other actions to, with or by any local or foreign governmental authority or any other person, is necessary, on the part of Buyer to effect the transactions contemplated by this Agreement or to authorize the execution, delivery and performance by Buyer of this Agreement.

SECTION 3.4. Available Funds. Buyer has sufficient funds unconditionally available to it to pay the Purchase Price.

## ARTICLE IV COVENANTS

SECTION 4.1. Restrictions. Buyer understands and agrees that by purchasing the Shares it will acquire certain rights and obligations pursuant to the organizational documents of the Company (as amended or restated from time to time) and Buyer hereby agrees to comply with all covenants and restrictions contained therein.

## ARTICLE V MISCELLANEOUS PROVISIONS

SECTION 5.1. Notices. All notices and other communications provided for herein shall be dated and in writing and shall be deemed to have been duly given when delivered, if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid and when received if delivered otherwise, to the party to whom it is directed:

If to Buyer, to:

Address: Room D, 10/F Tower A, Billion Center, 1 Wang Kwong Road Kowloon Bay, KL  
Attention: Liu Yang  
Cell: 86-18601328987

If to Seller, to:

Address: Start Incorp Services Limited of Start Chambers, Wickham's Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands.  
Attention: Wang Shulan  
Cell: 86-18601328981

**SECTION 5.2. Further Assurances.** The parties hereto shall from time to time, including, without limitation, after the date hereof, execute and deliver all such further documents and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

**SECTION 5.3. Complete Agreement; Counterparts.** This Agreement constitutes the entire agreement and supersedes all other agreements and understandings, both written and oral, among the parties or any of them, with respect to the subject matter hereof. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

**SECTION 5.4. Amendments; No Waiver; Remedies.** This Agreement may not be amended, altered or modified except by written instrument duly executed by all the parties hereto. Any agreement on the part of any party to waive (i) any inaccuracies in the representations and warranties contained herein by any other party or in any other document delivered hereto by any party, or (ii) compliance with any of the agreements, covenants or conditions contained herein, shall be valid only if set forth in an instrument in writing signed on behalf of such waiving party. No such waiver shall constitute a waiver of, or estoppel with respect to, any subsequent or other inaccuracy, breach or failure to strictly comply with the provisions of this Agreement. No failure on the part of a party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; and no single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**SECTION 5.5. Binding Effect; Persons Benefiting.** This Agreement shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and permitted assigns; ~~provided, however,~~ that, except as otherwise expressly permitted under this Agreement, no party hereto shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the other parties hereto, except that either party may assign its rights and obligations hereunder, in whole or in part, to another entity that is wholly-owned, directly or indirectly, by such party or wholly-owns, directly or indirectly, such party; ~~provided,~~ that such party shall not be relieved of its obligations under this Agreement. Nothing in this Agreement is intended or shall be construed to confer upon any person other than the parties hereto and their respective successors and permitted assigns any right, remedy or claim under or by

reason of this Agreement or any part hereof.

**SECTION 5.6. Governing Law; Consent to Jurisdiction.** This Agreement shall be governed by, and construed and enforced in accordance with the laws of the Hong Kong Special Administrative Region of People's Republic of China, without regard to principles of conflicts of law. In any legal action, proceeding, dispute, controversy or claim arising out of or relating to this Agreement, or the interpretation, breach, termination or validity thereof, the parties irrevocably submit to the exclusive jurisdiction of the courts of Hong Kong and irrevocably waive any objection to any proceedings in such courts whether on the grounds that the any proceedings have been brought in an inconvenient forum or otherwise.

**SECTION 5.7. Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein. Unless the context of this Agreement otherwise requires, (i) words of any gender shall be deemed to include each other gender; (ii) words using the singular or plural number shall also include the plural or singular number, respectively; and (iii) references to "hereof," "herein," "hereby" and similar terms shall refer to this entire Agreement unless the context otherwise requires.

**SECTION 5.8. Severability.** Any term or provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without rendering invalid, illegal or unenforceable the remaining terms and provisions of this Agreement or affecting the validity, legality or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction; provided, that the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable, subject to the foregoing proviso.

**SECTION 5.9. Termination.** This Agreement may be terminated at any time prior to the Closing Date by mutual written consent of Seller and Buyer.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of  
the date set forth in the first paragraph hereof.

HEALTHY SOAR INVESTMENT LIMITED |

By:

Name:

Title:

NEW ASIA SUCCESS PARTNERS LIMITED

By: VB

Name:

Title:

# **EXHIBIT 12**

**EXHIBIT 12**

## ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment"), effective as of April [], 2014, the ("Effective Date"), is entered into by and among:

Chris Fenton, an individual ("Fenton");

H2F Entertainment, Inc., a California Corporation ("H2F");

New Asia Success Partners Limited, a British Virgin Islands Corporation ("DMG"); and

Healthy Soar Investment Limited, a Hong Kong Corporation ("Healthy Soar")

WHEREAS, Fenton, H2F and DMG are parties to the agreements identified below (collectively, "Financing Documents"):

Agreement for Purchase and Sale of Stock, dated September 20, 2012  
Stock Purchase Agreement, dated September 18, 2013

WHEREAS, the parties desire to assign the Financing Documents to Healthy Soar, in connection with the restructuring of its business, which shall include the deregistration of New Asia Success Partners Limited;

NOW, THEREFORE, the parties agree as follows:

1. Assignment

1.1 DMG hereby assigns, and Healthy Soar hereby accepts, the assignment of all of DMG's right, title and interest in and to the Financing Documents.

1.2 DMG hereby delegates, and Healthy Soar hereby agrees to assume, the performance obligations and duties of all the terms, conditions and covenants to be performed by DMG under the Financing Documents.

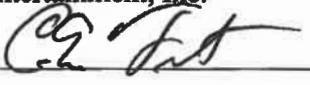
1.3 Subject to the terms and conditions of this Assignment, Fenton and H2F hereby consent, under any relevant assignment provisions in the Financing Documents or otherwise, to the assignment of the Financing Documents to Healthy Soar and agree that all duties and obligations of Fenton and H2F due and owing to DMG under the Financing Documents shall henceforth be due and owing to Healthy Soar.

2. This Assignment shall become effective as of the Effective Date. Healthy Soar shall be liable for any breach of the Financing Documents.

3. Except as expressly set forth in this Assignment, the Financing Documents remain in full force and effect without modification. The terms and conditions of this Assignment shall not be modified or amended except by a writing signed by authorized representatives of Fenton, H2F, DMG and Healthy Soar.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed as of the Effective Date.

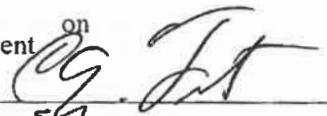
Chris Fent on  
By:   
Title: Individual

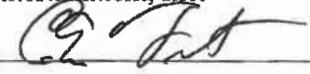
H2F Entertainment, Inc.  
By:   
Title: President

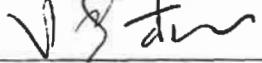
New Asia Success Partners Limited  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

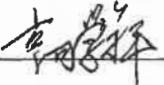
Healthy Soar Investment Limited  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed as of the Effective Date.

Chris Fent <sup>on</sup>  
By:   
Title: President

H2F Entertainment, Inc.  
By:   
Title: President

New Asia S <sup>ucess</sup> Partners Limited  
By:   
Title: \_\_\_\_\_

Healthy Soar Investment Limited  
By:   
Title: \_\_\_\_\_

# **EXHIBIT 13**

**EXHIBIT 13**

Mr. Dan Mintz  
Chief Executive Officer

October 22, 2014

RE: Christopher W. Fenton

To Whom It May Concern:

Chris Fenton is DMG's GM of North America as well as President of DMG Entertainment's Motion Picture Group. Mr. Fenton is an essential part of our senior executive staff.

A privately owned Chinese company with large international reach since 1991, DMG will become a publicly traded company on the Shenzhen Stock Exchange next month with a projected market capitalization of roughly \$4.2 Billion USD. For International business transactions, DMG uses several offshore entities including the Hong Kong Corporation, Healthy Soar Investment Limited, as well as the BVI Corporation, New Asia Success Partners Limited.

For the next 3.3 years of his present contract, Mr. Fenton's gross compensation will be a minimum of \$1,000,000 USD, paid through an annual \$800,000 purchase of his remaining personal shares in his former company, H2F Entertainment, and a \$200,000 base. As evidenced by the last couple years, Mr. Fenton is also entitled to bonuses based on his annual performance.

Mr. Fenton has worked with DMG in various senior level capacities since 1999 and is thusly an extremely valued member of the company. We expect him to continue working for DMG long past the end of his present contract and at a level of gross compensation most likely greater than the \$1,000,000 USD it stands at currently.

Please contact me if you should have any questions.

Best regards,

Sincerely,

Mr. Dan Mintz

CEO, DMG

# **EXHIBIT 14**

**EXHIBIT 14**

TOPICS

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ENVELOPE ENTERTAINMENT

# DMG Entertainment is going public on Shenzhen Stock Exchange

By BY JULIE MAKINEN  
APR 25, 2014 | 2:13 PM



This picture taken on April 6, 2013 shows a boy posing during a promotional event for the Hollywood movie "Iron Man 3" at the Forbidden City in Beijing. (Wang Zhao / AFP / Getty Images)

BEIJING — DMG Entertainment, the Beijing-based company that co-produced Hollywood films including "Iron Man 3" and "Transcendence," is in the process of going public on the Shenzhen Stock Exchange.

The move will see DMG enter the exchange through a reverse takeover with meat-processing company Sichuan Gaojin Foods. The deal still needs regulatory approval.

According to DMG and Sichuan Gaojin, the deal values DMG at \$970 million. That's three times the value of Gaojin at the end of 2013. After the transaction, the company's largest shareholder will be DMG Chairman Peter Xiao Wenge.

### **REEL CHINA: Full coverage on China's movie industry**

Documents filed by Sichuan Gaojin with the Shenzhen Exchange said DMG's revenue grew from about \$181 million in 2011 to \$270 million in 2012 and \$271 million in 2013. Film and television revenue saw a large jump between 2012 and 2013, rising from \$9.3 million to \$48.2 million.

"Iron Man 3," released in 2013, grossed \$121 million at the mainland box office.

Profit at DMG rose to \$45.9 million in 2013, up from \$25.3 million in 2011, Sichuan Gaojin's documentation indicated.

DMG began as an advertising and TV commercial production firm but has also invested in domestic film and TV production and distribution and has interests in music and other sectors. Shares of Sichuan Gaojin, which had been suspended for months, resumed trading April 8 and have nearly doubled in the last two and a half weeks.

Until recently, China had enacted a moratorium on initial public offerings, and a backlog of listings is now awaiting approval. Among the entertainment-related companies that recently announced plans for IPOs are Wanda Cinema Line, China's biggest movie theater chain, which plans to raise \$321 million, and Shanghai Film Corp., a film producer, distributor and exhibitor that wants to raise \$155 million.

### **PHOTOS: Behind the scenes of movies and TV**

Media firms remain a highly regulated, largely government-controlled sector in China, and a reverse takeover could allow DMG — which has several non-Chinese principals — to go public without drawing too much attention to itself. Chinese-language media carried reports of the reverse takeover earlier this month, but DMG had not made a statement until this week, when Variety first reported the news.

A number of Chinese companies — including restaurant chains, fireworks manufacturers, dairy firms and video game makers — have shown interest this year in acquiring media, TV and film production companies.

Restaurant chain Beijing Xianggeqing said in March that it would acquire 51% of China Film & Television Production Co. and 51% of Di Nu Film & Television. The same month, Panda Fireworks Group announced that it would spend \$91 million to acquire Dongyang Huahai Shidai Pictures Media.

*julie.makinen@latimes.com*

*Tommy Yang and Nicole Liu in The Times' Beijing bureau contributed to this report.*



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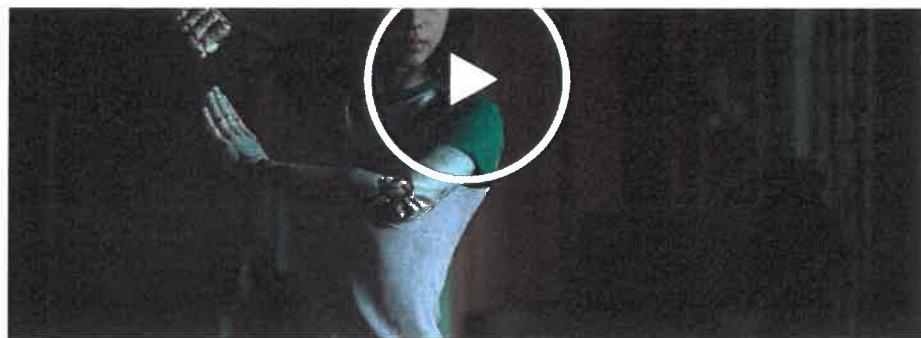
BE THE FIRST TO COMMENT

Los Angeles Times



2/22/2019

DMG Entertainment is going public on Shenzhen Stock Exchange - Los Angeles Times



FEB 14, 2019



## 'Alita: Battle Angel' review by Kenneth Turan

"Alita: Battle Angel" is a motion-capture manga adaptation long in the works by producers James Cameron and Jon Landau that stars Rosa Salazar and is directed by Robert Rodriguez.

**'Alita: Battle Angel'**  
review by Kenneth Turan  
Feb 14, 2019



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# **EXHIBIT 15**

**EXHIBIT 15**

1,283 views | Nov 16, 2014, 08:05pm

# DMG's Backdoor Listing Turns Peter Xiao Into China's Latest Billionaire



Russell Flannery Forbes Staff

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The backdoor listing of Yinji Entertainment and Media, also known as DMG Media, has turned company chairman Peter Xiao into China's latest billionaire.

Sichuan Gaojin Food, previously a meat processor, said on Friday it had issued 897.5 million new shares to owners of Yinji Entertainment and Media Company in exchange for a 100% stake in the company.

Xiao, who owned 91% of DMG before the transaction, obtained 74% ownership of Sichuan Gaojin Food as a result. The shares closed at 16.63 yuan at the Shenzhen Stock Exchange on Friday, making Xiao worth \$2.2 billion. Preliminary plans for the purchase were announced in April. Xiao also goes by Xiao Wenge.

DMG is involved in advertising and film production. Clients have included Volkswagen, Nike, Johnson & Johnson, Mazda, Jahwa, China UnionPay and China Mobile.

Xiao, who also invests in real estate, ranked No. 313 on the 2014 Forbes China Rich List published on Oct. 28 with wealth of \$810 million. China had a record 242 billionaires on the list, up from 168 a year earlier

-with Maggie Chen

-Follow me on Twitter @rflannerychina



**Russell Flannery** Forbes Staff

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I'm a senior editor and the Shanghai bureau chief of Forbes magazine. Now in my 16th year at Forbes, I compile the Forbes China Rich List and the Taiwan Rich List. I was previously a correspondent for Bloomberg News in Taipei and Shanghai and for the Asian Wall Street Journal... [Read More](#)

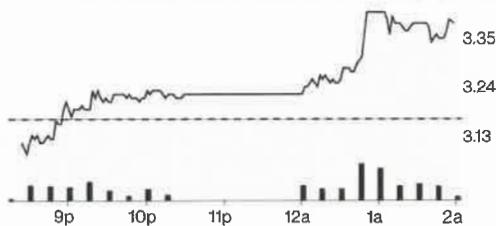
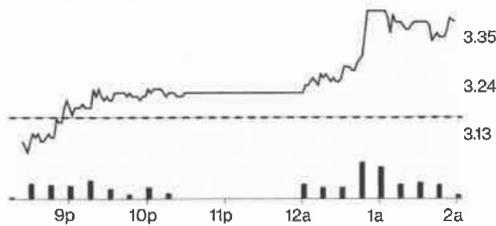
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# **EXHIBIT 16**

**EXHIBIT 16**

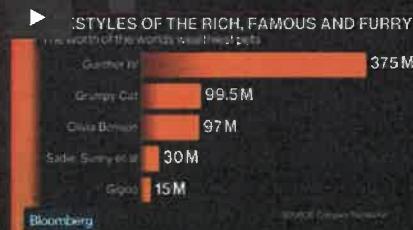
[☰ Menu](#)[🔍 Search](#)**Bloomberg**[Sign In](#)[Subscribe](#)**002143:CH** Shenzhen  
**Yinji Entertainment and Media Co Ltd****3.40**  
CNY      +0.28 +8.97% [+ ADD TO WATCHLIST](#) MARKET CLOSED  
AS OF 02/22/2019 EDT

OPEN	PREV CLOSE	VOLUME	MARKET CAP	DAY RANGE	52 WEEK RANGE
3.08	3.12	64,863,346	6.017B	3.04-3.43	2.51-12.09

[1D](#) [1M](#) [1Y](#) [5Y](#)[↗ VIEW FULL CHART](#)[+ ADD TO WATCHLIST](#) MARKET CLOSED  
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▲+17.79

## Key Statistics

P/E Ratio	--
Bloomberg (BEst) P/E Ratio	--
Bloomberg (BEst) PEG Ratio	--
Shares Outstanding	1.77B
Price to Book Ratio	2.6188
Price to Sales Ratio	3.2732

1 Year Return	-71.88%
30 Day Avg Volume	28,496,520
EPS	-0.05
Bloomberg (BEst) EPS Curr Yr	--
Dividend	0.56%
Last Dividend Reported	0.019

Earnings Announcement for Period Ending Q1/2019: 04/23/2019

## Compare 1-Day Performance

EQUITY

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<https://www.bloomberg.com/quote/002143:CH>

+8.97%

0

+10%

2/6

SECTOR	
<b>Communications</b>	+1.05%
INDUSTRY	
<b>Media</b>	+1.01%

## About Yinji Entertainment and Media Co Ltd

Yinji Entertainment and Media Co., Ltd. operates entertainment businesses. The Company designs, plans, and produces films, television columns, variety shows, cartoons, radio dramas, and other contents. Yinji Entertainment and Media also provides band promotion, entertainment information consulting, entertainment marketing, and other services.

### ADDRESS

25F Block A 26 Chaowai Street Chaoyang District Beijing, 100020 China

### PHONE

86-10-8565-3696

## Executives

### NAME/TITLE

#### Wu Bing

Chairman/PRE/Interim Secy/Interim Control...

## Board Members

### NAME/COMPANY

#### Wu Bing

Yinji Entertainment and Media Co Ltd

#### Fan Hong

#### Zhang Ran

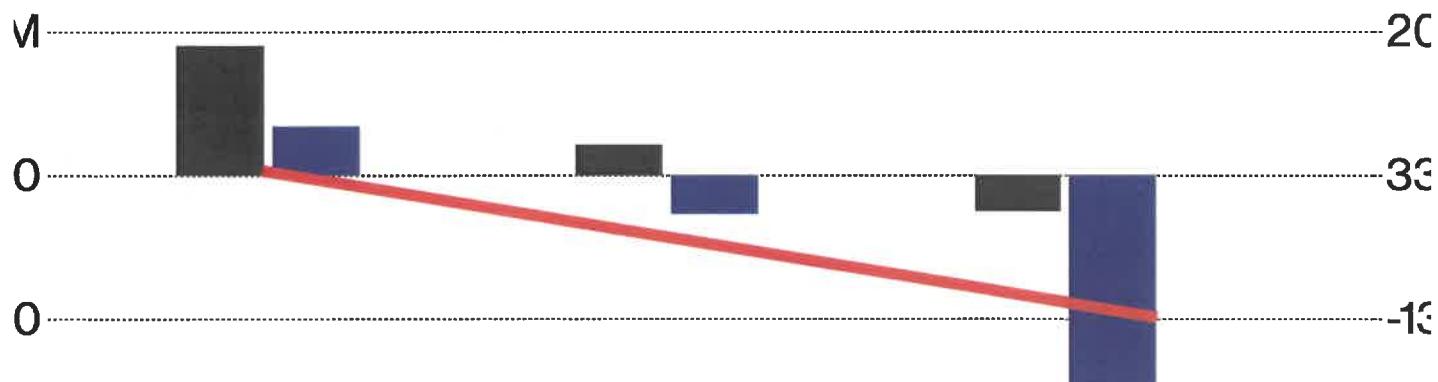
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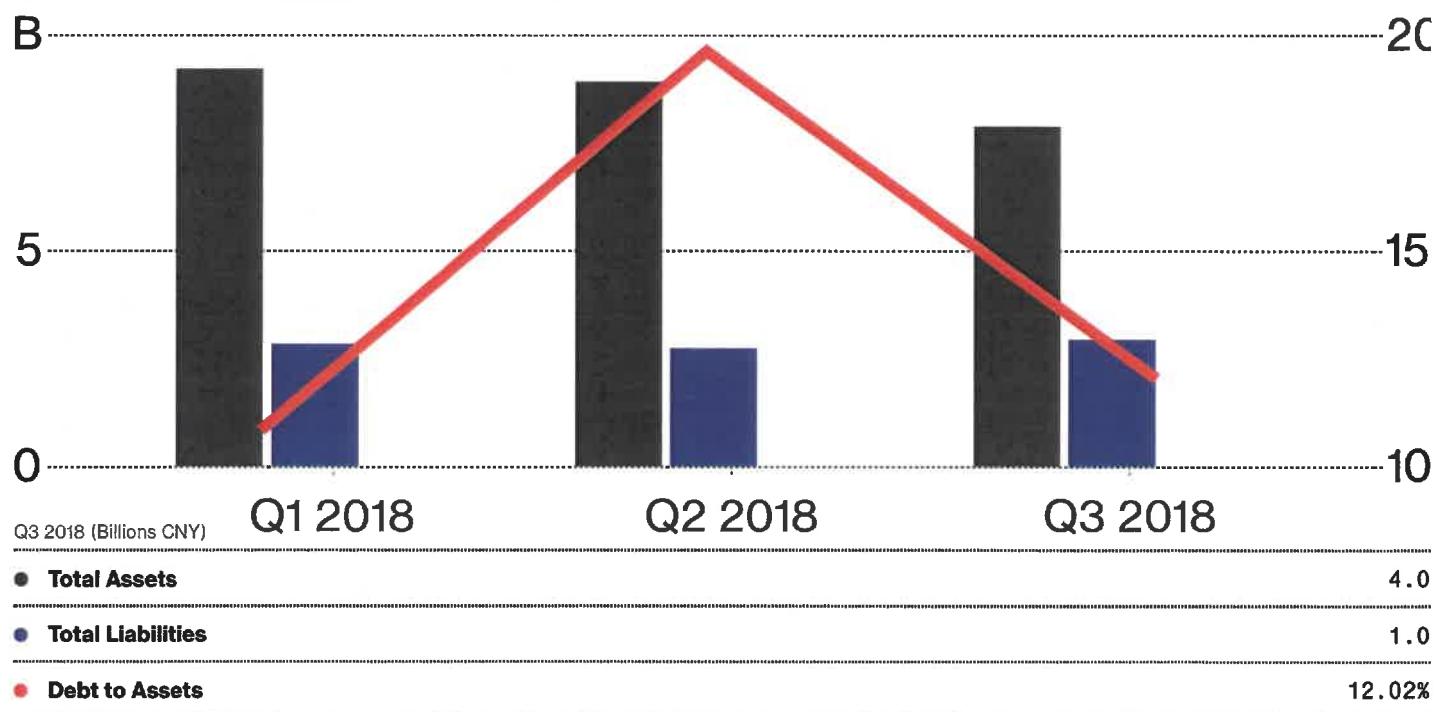
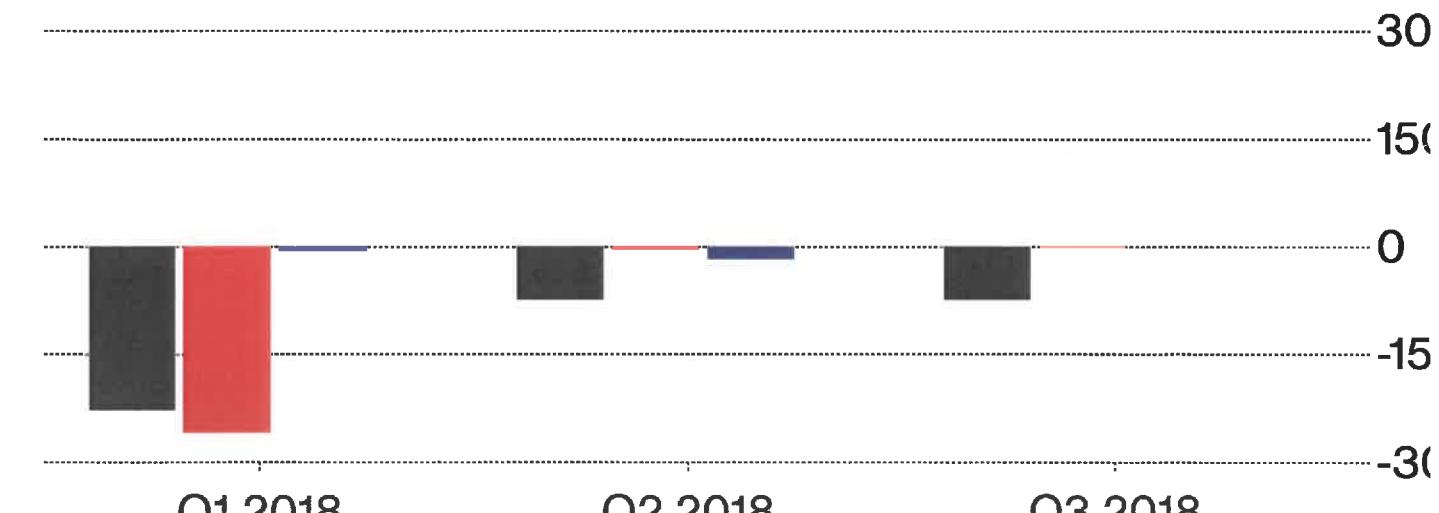
## Income Statement

[Quarterly](#)

[Annual](#)



	Q1 2018	Q2 2018	Q3 2018	
Q3 2018 (Millions CNY)				-3
● Revenue				-88.6
● Net Income				-665.3
● Profit Margin				-132.94%

**Balance Sheet** Quarterly Annual**Cash Flow** Quarterly Annual

2/22/2019

002143:Shenzhen Stock Quote - Yinji Entertainment and Media Co Ltd - Bloomberg Markets

Q3 2018 (Millions CNY) ▾ 1.2010 ▾ 4.2010 ▾ 0.2010

● <b>Operating</b>	-73.4
● <b>Investing</b>	-1.1
● <b>Financing</b>	-0.1

Taboola Feed

## Wizards Owner Leonsis on Esports, Fortnite

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# **EXHIBIT 17**

**EXHIBIT 17**

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

THE ORANGE HAPPY POET, INC.; )  
NEUTRINO CORP. )  
                                )  
Plaintiffs, )  
                                )  
                                )  
v. )                            C.A. No. \_\_\_\_\_  
                                )  
VALIANT ENTERTAINMENT, LLC; )  
DMG ENTERTAINMENT HOLDING, LLC; )  
DANIEL MINTZ; DINESH SHAMDASANI; )  
PETER CUNEO; JASON KOTHARI; )  
STEPHEN GANS; AND CHRIS FENTON. )  
                                )  
Defendants. )

**VERIFIED COMPLAINT**

Plaintiffs The Orange Happy Poet, Inc. and Neutrino Corp. (collectively “Plaintiffs”), by their attorneys, for their complaint against defendants Valiant Entertainment, LLC, DMG Entertainment Holding, LLC, Daniel Mintz, Dinesh Shamdasani, Peter Cuneo, Jason Kothari, Stephen Gans and Chris Fenton (collectively “Defendants”) allege upon personal knowledge as to themselves, and upon information and belief as to all other allegations herein, as follows:

**NATURE OF THE ACTION**

1. This action alleges a conspiracy by the Defendants in which DMG Entertainment, LLC (“DMG”) acquired Valiant Entertainment, LLC (“Valiant”) for \$2,413.16 per Valiant Unit – buying out all of the individual Defendants – without paying Plaintiffs their *pro rata* share of the purchase price. Specifically:

# **EXHIBIT 18**

**EXHIBIT 18**

**COPY**  
CONFORMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

SEP 14 2018

Sherri R. Carter, Executive Officer/Clerk of Court

By: Brittny Smith, Deputy

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9 Attorneys for Plaintiff Neutrino Corp.

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF LOS ANGELES

12 NEUTRINO CORP.,

13 Plaintiff,

14 v.

15 VALIANT ENTERTAINMENT LLC; DMG  
16 ENTERTAINMENT HOLDING, LLC;  
17 DANIEL MINTZ; DINESH SHAMDASANI;  
PETER CUNEO; JASON KOTHARI;  
STEPHEN GANS AND CHRIS FENTON,

18 Defendants.

BC 72 132 1

Case No.: \_\_\_\_\_

COMPLAINT FOR DAMAGES AND  
OTHER RELIEF BASED ON CLAIMS  
FOR:

1. BREACH OF FIDUCIARY DUTY

2. BREACH OF CONTRACT

21 Plaintiff Neutrino Corp. ("Plaintiff" or "Neutrino"), by its undersigned attorneys, for its  
22 complaint against defendants Valiant Entertainment LLC ("Valiant"), DMG Entertainment  
23 Holding, LLC ("DMG"), Daniel Mintz ("Mintz"), Dinesh Shamdasani ("Shamdasani"), Peter  
24 Cuneo ("Cuneo"), Jason Kothari ("Kothari"), Stephen Gans ("Gans") and Chris Fenton ("Fenton")  
25 (collectively "Defendants") alleges upon personal knowledge as to itself, and upon information  
26 and belief as to all other allegations herein, as follows:  
27  
28